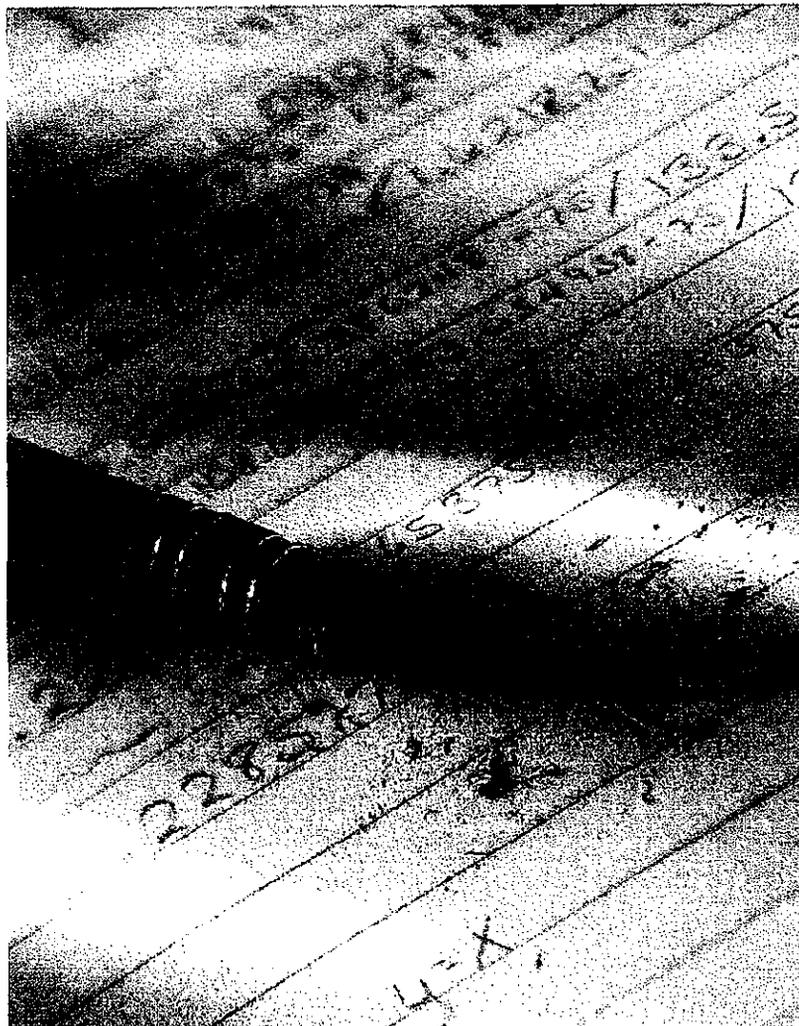


East Carroll Parish School Board

Lake Providence, Louisiana



Annual Financial Report

for the year ended June 30, 2007

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date

1/23/08

**East Carroll Parish School Board
Lake Providence, Louisiana**

**Annual Financial Report
As of and for the Year Ended June 30, 2007**

**East Carroll Parish School Board
Annual Financial Report**

CONTENTS

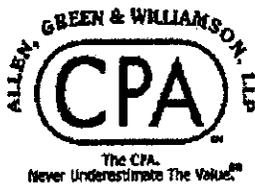
	<u>Statement</u>	<u>Page</u>
FINANCIAL SECTION		
Independent Auditors' Report		1-2
Required Supplemental Information		3
Management's Discussion and Analysis (MD&A)		4-10
Basic Financial Statements		
Government-wide Financial Statements (GWFS)		11
Statement of Net Assets	A	12
Statement of Activities	B	13
Fund Financial Statements (FFS)		15
Governmental Funds:		
Balance Sheet	C	16-17
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	D	19
Statement of Revenues, Expenditures, and Changes in Fund Balances	E	20-23
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities	F	24
Fiduciary Funds:		
Statement of Fiduciary Assets and Liabilities	G	25
Notes to the Basic Financial Statements		
Index		26
Notes		27-41
	<u>Exhibit</u>	
REQUIRED SUPPLEMENTAL INFORMATION		
Budgetary Comparison Schedules		42
General Fund	1-1	43
Title I	1-2	44
Child Nutrition	1-3	45
Notes to the Budgetary Comparison Schedules		46
SUPPLEMENTAL INFORMATION		
Combining Nonmajor Governmental Funds - by Fund Type		47-48
Combining Balance Sheet	2	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	3	50
Nonmajor Special Revenue Funds		51
Combining Balance Sheet	4	52-53
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	5	54-57
Non-major Capital Project Funds		58-61
Combining Balance Sheet	6	62
Combining Statement of Revenues, Expenditures, and Change in Fund Balances	7	63
Agency Funds		64
Combining Schedule of Assets and Liabilities	8	65
Statement of Changes in Fiduciary Assets and Liabilities	9	66

(Continued)

**East Carroll Parish School Board
Annual Financial Report**

		<u>CONTENTS</u>	
		<u>Exhibit</u>	<u>Page</u>
School Activities Agency Fund			
Schedule of Changes in Deposits Due Others		10	68
General			
Schedule of Compensation Paid Board Members		11	69
SINGLE AUDIT INFORMATION			70
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <u>Government Auditing Standards</u>			71-72
Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With <u>OMB Circular A-133</u>			73-74
Schedule of Expenditures of Federal Awards	12		75
Notes to the Schedule of Expenditures of Federal Awards			76
Schedule of Findings and Questioned Costs			77-80
OTHER INFORMATION			81
Summary Schedule of Prior Audit Findings			82-83
Corrective Action Plan for Current-Year Findings and Questioned Costs			84-85
Management Letter			86-87
Status of Prior Year Management Letter Item			88
Independent Accountants' Report on Applying Agreed-upon Procedures			89-92
School Board Prepared Performance and Statistical Data Schedules			93-104

(Concluded)



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422

Fax: (318) 388-4884

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

INDEPENDENT AUDITORS' REPORT

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board, as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the School Board's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the School Board as of June 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 19, 2007, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis and the Budgetary Comparison Schedules as listed in the table of contents, are not a required part of the basic financial statements but are supplemental information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information identified in the table of contents as supplemental information and the Schedule of Expenditures of Federal Awards, as required by the OMB Circular A-133 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The information identified in the table of contents as other information is presented for purposes of additional analysis and is not a required part of the basic financial statements of the School Board. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly, we express no opinion on it.

allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana

December 19, 2007

East Carroll Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION:

**MANAGEMENT'S DISCUSSION
AND ANALYSIS (MD&A)**

**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)**

Our discussion and analysis of East Carroll Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2007. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis.

The Management's Discussion and Analysis (MD&A) is an element of the new reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments issued June 1999.

FINANCIAL HIGHLIGHTS The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily minimum foundation funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

FUND FINANCIAL STATEMENTS Total revenues for all governmental funds increased \$792,958. The fund balances of all governmental funds increased \$694,989. The fund balance of the general fund increased \$657,019. Total expenditures in the general fund increased \$240,615 mainly because of the purchase of two buses and debt services (loan repay).

The Title I fund balances neither increased nor decreased since it is a cost-reimbursement fund.

The Child Nutrition fund balance decreased by \$706.

Other governmental fund balance increased \$38,676.

USING THIS ANNUAL REPORT The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Assets and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the general fund, Title I, child nutrition, other miscellaneous and Energy Performance. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students and parents.

**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)**

**Required Supplemental Information
Management's Discussion & Analysis (MD&A)**

Basic Financial Statements

Government-wide Financial Statements ↔ Fund Financial Statements

Notes to the Basic Financial Statements

**Required Supplemental Information
Budgetary Information for Major Funds**

**Supplemental Information
Nonmajor Funds Combining Statements
Agency Funds Statements/Schedules
Schedule of Compensation Paid Board Members**

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplemental Information and the Supplemental Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

Reporting the School Board as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)

These two statements report the School Board's net assets - the difference between assets and liabilities, as reported in the Statement of Net Assets - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net assets - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Assets and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

Reporting the School Board's Most Significant Funds

Fund Financial Statements

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the child nutrition) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - All of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

The School Board as Trustee

Reporting the School Board's Fiduciary Responsibilities

The School Board is the trustee, or fiduciary, for its student activities funds, and the retirement insurance fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)

THE SCHOOL BOARD AS A WHOLE The School Board's net assets were \$9,296,170 at June 30, 2007. Of this amount \$402,474 was unrestricted. Restricted net assets are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets, (Table 1) and the change in net assets (Table 2) of the School Board's governmental activities.

Table 1
Net Assets
June 30

	<u>2007</u>	<u>Governmental Activities 2006</u>	<u>Variance</u>
Current and other assets	\$ 5,395,497	\$ 4,910,110	\$ 485,387
Capital assets	<u>6,914,424</u>	<u>7,307,308</u>	<u>(392,884)</u>
Total assets	<u>12,309,921</u>	<u>12,217,418</u>	<u>92,503</u>
Current and other liabilities	1,059,574	1,272,873	(213,299)
Long-term liabilities	<u>1,954,177</u>	<u>2,099,561</u>	<u>(145,384)</u>
Total liabilities	<u>3,013,751</u>	<u>3,372,434</u>	<u>(358,683)</u>
Net assets			
Invested in capital assets, net of debt	5,333,424	5,639,308	(305,884)
Restricted	3,560,272	2,984,258	576,014
Unrestricted	<u>402,474</u>	<u>221,418</u>	<u>181,056</u>
Total net assets	<u>\$ 9,296,170</u>	<u>\$ 8,844,984</u>	<u>\$ 451,186</u>

The \$402,474 in unrestricted net assets of governmental activities represents accumulated results of all past year's operations. It means that if the School Board had to pay off all of its bills today including all of its noncapital liabilities such as compensated absences, there would be \$402,474 left.

The net assets of the School Board increased by \$451,186 due mainly to an increase in MFP and sales tax.

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)

Table 2
Changes in Net Assets
For the Year Ended June 30

	<u>2007</u>	<u>Governmental Activities 2006</u>	<u>Variance</u>
Net Assets - beginning	\$ 8,844,984	\$ 8,442,891	\$ 402,093
Revenues:			
Program revenues			
Charges for services	28,467	26,164	2,303
Federal grants	3,707,644	3,295,288	412,356
State grants and entitlements	660,324	594,126	66,198
General Revenues			
Ad valorem taxes	416,129	410,562	5,567
Sales taxes	1,498,712	1,404,383	94,329
State minimum foundation program	8,233,711	8,063,557	170,154
Other general revenues	607,858	565,807	42,051
Total revenues	<u>15,152,845</u>	<u>14,359,887</u>	<u>792,958</u>
Functions/Program Expenses:			
Instruction			
Regular programs	5,295,156	4,936,702	358,454
Special programs	911,964	1,095,630	(183,666)
Other instructional programs	2,027,143	1,596,652	430,491
Support services			
Student services	724,712	459,632	265,080
Instructional staff support	621,371	570,833	50,538
General administration	409,562	423,340	(13,778)
School administration	965,219	1,007,015	(41,796)
Business services	444,624	459,170	(14,546)
Plant services	1,376,127	1,467,086	(90,959)
Student transportation services	691,380	722,417	(31,037)
Food Services	1,125,866	1,128,246	(2,380)
Interest and bank charges	108,535	91,071	17,464
Total expenses	<u>14,701,659</u>	<u>13,957,794</u>	<u>743,865</u>
Increase (decrease) in net assets	<u>451,186</u>	<u>402,093</u>	<u>49,093</u>
Net Assets - ending	<u>\$ 9,296,170</u>	<u>\$ 8,844,984</u>	<u>\$ 451,186</u>

In the table below we have presented the cost of each of the School Board's six largest functions -- regular programs, special programs, other instructional programs, plant services, school administration and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

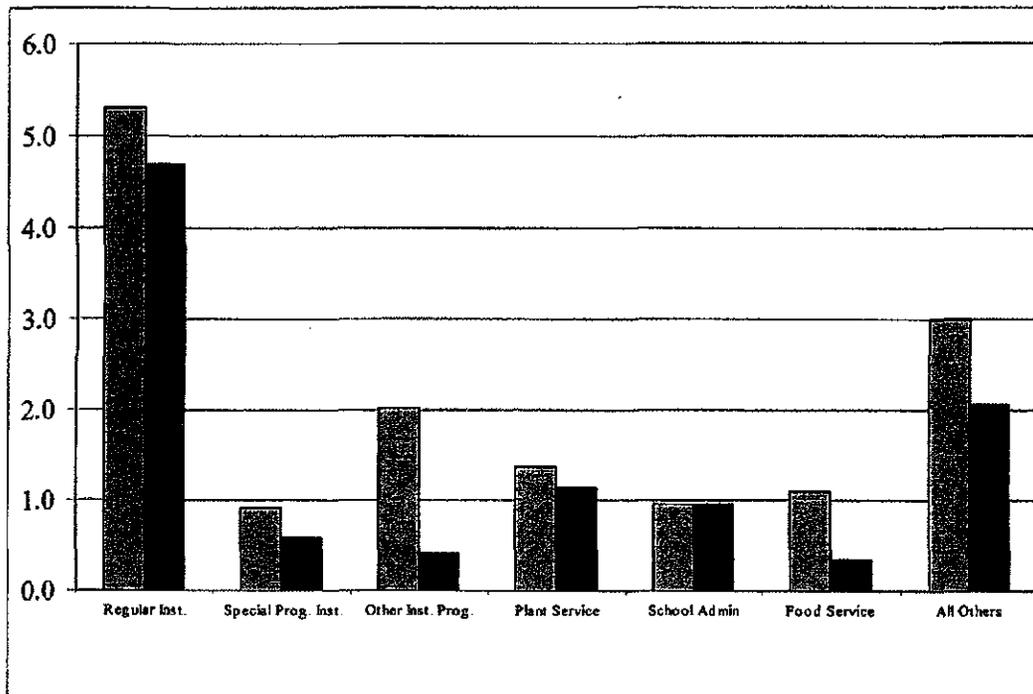
**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)**

**Year Ended June 30,
Governmental Activities**

	2007		2006	
	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>	<u>Total Cost of Services</u>	<u>Net Cost of Services</u>
Regular programs instruction	\$ 5,295,156	\$ 4,760,366	\$ 4,936,702	\$ 4,309,146
Special programs instruction	911,964	664,602	1,095,630	758,938
Other instructional programs	2,027,143	381,241	1,596,652	245,180
Plant services	1,376,127	1,143,995	1,467,086	1,327,016
School administration	965,219	950,923	1,007,015	969,953
Food services	1,125,866	345,176	1,128,246	292,344
All others	<u>3,000,184</u>	<u>2,058,921</u>	<u>2,726,463</u>	<u>2,139,639</u>
Totals	<u>\$14,701,659</u>	<u>\$10,305,224</u>	<u>\$13,957,794</u>	<u>\$10,042,216</u>

2007

**Total Cost of Services
Versus
Net Cost of Services**



**East Carroll Parish School Board
Management's Discussion and Analysis (MD&A)**

THE SCHOOL BOARD'S FUNDS As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

General Fund Budgetary Highlights As mentioned earlier the School Board revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. (A schedule showing the School Board's original and final budgets compared with actual results is provided in the required supplemental information section of this report.) MFP funding was reduced, therefore expenditures were reduced accordingly. Revenue for GEE 21, Teacher Assessors, Title V, Enhancing Education Through Technology, and Basic Adult Education awards were reduced during the year, therefore expenditures were also reduced. Title II, State Adult Education, LEAP 21 Summer Remediation, Tech Prep, REAP, and Title IV awards increased, therefore expenditures also increased.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets At June 30, 2007, the School Board had \$6,914,424 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of just over \$392,884 or five percent, from last year.

Capital Assets at June 30, 2007

	<u>2007</u>	<u>Governmental Activities 2006</u>	<u>Variance</u>
Land	\$ 318,180	\$ 318,180	\$ 0
Buildings and improvements	5,974,932	6,271,569	(296,637)
Furniture and equipment	<u>621,312</u>	<u>717,559</u>	<u>(96,247)</u>
Totals	<u>\$6,914,424</u>	<u>\$7,307,308</u>	<u>\$ (392,884)</u>

Debt Administration At June 30, 2007, the School Board had \$1,581,000 in a certificate of indebtedness outstanding maturing in 2019 with a 5.375% interest rate.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES The General Fund Budget increased for the 2007-2008 due mainly to State funding increase (MFP).

CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Theresa Thomas, Business Manager, at East Carroll Parish School Board, P. O. Box 972, Lake Providence, Louisiana 71254-0792, telephone number (318) 559-2222.

East Carroll Parish School Board

BASIC FINANCIAL STATEMENTS:

**GOVERNMENT-WIDE
FINANCIAL STATEMENTS (GWFS)**

EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF NET ASSETS
June 30, 2007

Statement A

	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>
ASSETS	
Cash and cash equivalents	\$ 4,288,196
Investments	180,268
Receivables, net	923,070
Inventory	3,963
Capital assets:	
Land and construction in progress	318,180
Depreciable capital assets, net of depreciation	<u>6,596,244</u>
TOTAL ASSETS	<u>12,309,921</u>
LIABILITIES	
Accounts, salaries and other payables	992,939
Interest payable	66,170
Unearned revenue	465
Long-term liabilities	
Due within one year	327,766
Due in more than one year	<u>1,626,411</u>
TOTAL LIABILITIES	<u>3,013,751</u>
NET ASSETS	
Invested in capital assets, net of related debt	5,333,424
Restricted for:	
Salary enhancements	513,186
Salary enhancements and construction and maintenance	3,047,086
Unrestricted	<u>402,474</u>
TOTAL NET ASSETS	<u>\$ 9,296,170</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2007

	<u>PROGRAM REVENUES</u>			Statement B
	<u>CHARGES FOR</u>		<u>OPERATING</u>	NET (EXPENSE)
FUNCTIONS/PROGRAMS	<u>EXPENSES</u>	<u>SERVICES</u>	<u>GRANTS AND</u> <u>CONTRIBUTIONS</u>	REVENUE AND CHANGES IN NET ASSETS
<i>Governmental activities:</i>				
<i>Instruction:</i>				
Regular programs	\$ 5,295,156		\$ 534,790	\$ (4,760,366)
Special programs	911,964		247,362	(664,602)
Other instructional programs	2,027,143		1,645,902	(381,241)
<i>Support services:</i>				
Student services	724,712		355,247	(369,465)
Instructional staff support	621,371		368,220	(253,151)
General administration	409,562		155,840	(253,722)
School administration	965,219		14,296	(950,923)
Business services	444,624		14,758	(429,866)
Plant services	1,376,127		232,132	(1,143,995)
Student transportation services	691,380		47,198	(644,182)
Food services	1,125,866	28,467	752,223	(346,176)
Interest and bank charges	108,535	0	0	(108,535)
Total Governmental Activities	14,701,659	28,467	4,367,988	(10,305,224)
 <i>General revenues:</i>				
<i>Taxes:</i>				
Property taxes, levied for general purposes				416,129
Sales taxes, levied for general purposes				1,498,712
State revenue sharing				20,000
<i>Grants and contributions not restricted to specific programs</i>				
Minimum Foundation Program				8,233,711
Interest and investment earnings				217,587
Miscellaneous				370,271
Total general revenues				10,756,410
 Changes in net assets				 451,186
 Net assets - beginning				 <u>8,844,984</u>
 Net assets - ending				 <u>\$ 9,296,170</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

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East Carroll Parish School Board

BASIC FINANCIAL STATEMENTS:
FUND FINANCIAL STATEMENTS (FFS)

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Balance Sheet
June 30, 2007

	GENERAL	TITLE I	CHILD NUTRITION
ASSETS			
Cash and cash equivalents	\$ 4,099,654	\$ 0	\$ 6,143
Investments	180,268	0	0
Receivables	166,420	352,584	0
Interfund receivables	786,044	0	0
Inventory	0	0	3,963
TOTAL ASSETS	5,232,386	352,584	10,106
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	747,978	89,302	66,186
Interfund payable	0	263,282	192,018
Unearned revenue	0	0	465
Total Liabilities	747,978	352,584	258,669
Fund Balances:			
Restricted for:			
Inventory	0	0	3,498
Salary enhancements	513,186	0	0
Salary enhancements and construction and maintenance	3,047,086	0	0
Unreserved, reported in:			
General Fund - Undesignated	924,136	0	0
Special Revenue	0	0	(252,061)
Capital Projects	0	0	0
Total Fund Balances	4,484,408	0	(248,563)
TOTAL LIABILITIES AND FUND BALANCES	\$ 5,232,386	\$ 352,584	\$ 10,106

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

	OTHER		TOTAL
	GOVERNMENTAL		TOTAL
\$	182,399	\$	4,288,196
	0		180,268
	404,066		923,070
	5,401		791,445
	0		3,963
	<u>591,866</u>		<u>6,186,942</u>
	89,473		992,939
	336,145		791,445
	<u>0</u>		<u>465</u>
	<u>425,618</u>		<u>1,784,849</u>
	0		3,498
	0		513,186
	0		3,047,086
	0		924,136
	85,813		(166,248)
	<u>80,435</u>		<u>80,435</u>
	<u>166,248</u>		<u>4,402,093</u>
\$	<u>591,866</u>	\$	<u>6,186,942</u>

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EAST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Assets
June 30, 2007**

Statement D

Total fund balances - governmental funds \$ 4,402,093

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Assets includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$	12,992,766	
Depreciation expense to date		<u>(6,078,342)</u>	6,914,424

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Assets.

Balances at June 30, 2007 are:

Long-term liabilities			
Compensated absences payable		(373,177)	
Certificate of indebtedness		(1,581,000)	
Interest payable		<u>(66,170)</u>	<u>(2,020,347)</u>

Net Assets - Governmental Activities \$ 9,296,170

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
Statement of Revenues, Expenditures,
and Changes in Fund Balances
June 30, 2007

	GENERAL	TITLE I	CHILD NUTRITION
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 416,129	\$ 0	\$ 0
Sales and use	1,498,712	0	0
Interest earnings	211,757	0	1,875
Food services	0	0	28,467
Other	369,553	0	718
State sources:			
Equalization	7,933,711	0	300,000
Other	149,957	0	0
Federal sources	0	1,784,157	751,052
Total Revenues	10,579,819	1,784,157	1,082,112
EXPENDITURES			
Current:			
Instruction:			
Regular programs	4,581,148	0	0
Special programs	647,974	0	0
Other instructional programs	375,269	1,248,151	0
Support services:			
Student services	295,568	0	0
Instructional staff support	256,966	226,692	0
General administration	251,562	108,602	0
School administration	941,806	0	0
Business services	436,177	2,243	0
Plant services	1,156,451	187,329	0
Student transportation services	612,066	11,140	0
Food services	29,185	0	1,082,818
Capital outlay	136,230	0	0
Debt Service:			
Principal	87,000	0	0
Interest and bank charges	112,232	0	0
Total Expenditures	9,919,634	1,784,157	1,082,818
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ 660,185	\$ 0	\$ (706)

Statement E

<u>OTHER</u>	<u>TOTAL</u>
<u>GOVERNMENTAL</u>	
\$ 0	\$ 416,129
0	1,498,712
3,955	217,587
0	28,467
0	370,271
0	8,233,711
530,367	680,324
<u>1,172,435</u>	<u>3,707,644</u>
<u>1,706,757</u>	<u>15,152,845</u>
413,105	4,994,253
237,346	885,320
392,006	2,015,426
376,694	672,282
137,713	621,371
43,414	403,578
2,300	944,106
4,404	442,824
27,563	1,371,343
26,340	649,546
597	1,112,600
9,765	145,995
0	87,000
<u>0</u>	<u>112,232</u>
<u>1,671,247</u>	<u>14,457,856</u>
<u>\$ 35,510</u>	<u>\$ 694,989</u>

(CONTINUED)

EAST CARROLL PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS
 Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 June 30, 2007

	<u>GENERAL</u>	<u>TITLE I</u>	<u>CHILD NUTRITION</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ 1,127	\$ 0	0
Transfers out	<u>(4,293)</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>(3,166)</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	657,019	0	(706)
FUND BALANCES - BEGINNING	<u>3,827,389</u>	<u>0</u>	<u>(247,857)</u>
FUND BALANCES - ENDING	<u>\$ 4,484,408</u>	<u>\$ 0</u>	<u>\$ (248,563)</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement E

OTHER	
<u>GOVERNMENTAL</u>	<u>TOTAL</u>
\$ 4,293	\$ 5,420
<u>(1,127)</u>	<u>(5,420)</u>
3,166	0
38,676	694,989
<u>127,572</u>	<u>3,707,104</u>
<u>\$ 166,248</u>	<u>\$ 4,402,093</u>

(CONCLUDED)

EAST CARROLL PARISH SCHOOL BOARD

**Reconciliation of the Governmental Funds
Statement of Revenues, Expenditures, and Changes in Fund Balances
to the Statement of Activities
For the Year Ended June 30, 2007**

Statement F

Total net change in fund balances - governmental funds	\$	694,989
--	----	---------

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeds depreciation expense in the period:

Depreciation expense	\$ (538,879)	
Capital outlays	<u>145,995</u>	(392,884)

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time used \$235,766 exceeded the amounts earned \$177,382 by \$58,384.

58,384

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

87,000

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

3,697

Change in net assets of governmental activities

\$ 451,186

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

EAST CARROLL PARISH SCHOOL BOARD
FIDUCIARY FUND
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
June 30, 2007

Statement G

	<u>AGENCY FUND</u>
ASSETS	
Cash and cash equivalents	\$ <u>214,996</u>
Total assets	<u>214,996</u>
LIABILITIES	
Deposits due others	<u>214,996</u>
Total liabilities	<u>\$ 214,996</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

<u>Index</u>	<u>Page</u>
NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	27
A. REPORTING ENTITY.....	27
B. FUNDS	27
Governmental Funds	27
Fiduciary Funds.....	28
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	28
Governmental Funds	29
Fiduciary Funds.....	29
D. CASH AND CASH EQUIVALENTS	29
E. INVESTMENTS	30
F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES	30
G. INVENTORIES	30
H. CAPITAL ASSETS	30
I. DEFERRED REVENUES.....	30
J. COMPENSATED ABSENCES.....	31
K. RESTRICTED NET ASSETS	31
L. FUND EQUITY OF FUND FINANCIAL STATEMENTS.....	31
M. INTERFUND TRANSACTIONS.....	31
N. SALES TAXES	32
O. BUDGETS	32
P. USE OF ESTIMATES.....	33
Q. ELIMINATIONS AND RECLASSIFICATIONS	33
NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY	33
NOTE 3 - LEVIED TAXES	33
NOTE 4 - DEPOSITS AND INVESTMENTS.....	35
NOTE 5 - RECEIVABLES	36
NOTE 6 - CAPITAL ASSETS	36
NOTE 7 - RETIREMENT SYSTEMS	37
NOTE 8 - OTHER POST-EMPLOYMENT BENEFITS	38
NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES.....	39
NOTE 10 - COMPENSATED ABSENCES.....	39
NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS.....	39
NOTE 12 - LONG-TERM LIABILITIES.....	39
NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY).....	40
NOTE 14 - RISK MANAGEMENT	41
NOTE 15 - LITIGATION AND CLAIMS	41
NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES	41
NOTE 17 - RESERVED FUND BALANCES (FFS LEVEL ONLY).....	41
NOTE 18 - ECONOMIC DEPENDENCY	41

East Carroll Parish School Board
Notes to the Basic Financial Statements

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying basic financial statements of the East Carroll Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY The East Carroll Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within East Carroll Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of nine members who are elected from nine districts for terms of four years.

The School Board operates six schools within the parish with a total enrollment of approximately 1,514 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the School Board is considered a *primary government*, since it is a special-purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the School Board may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The School Board also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected School Board members are financially accountable. There are no other primary governments with which the School Board has a significant relationship.

B. FUNDS The accounts of the School Board are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

A fund is a separate accounting entity with a self-balancing set of accounts. Funds of the School Board are classified into two categories: governmental and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds Governmental funds are used to account for the School Board's general government activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general capital assets. The School Board reports the following major governmental funds:

General fund – the primary operating fund of the School Board. It accounts for all financial resources of the School Board, except those required to be accounted for in other funds.

Title I – This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

East Carroll Parish School Board
Notes to the Basic Financial Statements

Child Nutrition – The basic goals of the Child Nutrition Programs are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influence to homes of school children, and to provide learning experiences that will improve the children's food habits with the ultimate goal of physically fit adults.

Fiduciary Funds Fiduciary funds account for assets held by the government in a trustee capacity or as an agent on behalf of outside parties, including other governments, or on behalf of other funds within the School Board.

Agency funds are custodial in nature (assets equal liabilities) and do not present results of operations or have a measurement focus. They are used to account for assets that the government holds for others in an agency capacity. These agency funds are as follows:

School activities fund — accounts for assets held by the School Board as an agent for the individual schools and school organizations.

Retirement insurance fund — accounts for assets held by the School Board as an agent for individual retirees of the School Board.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements (GWFS) The Statement of Net Assets and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Net Assets at the fund financial statement level.

The Statement of Net Assets and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 "Accounting and Financial Reporting for Nonexchange Transactions."

Program revenues Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

Allocation of indirect expenses The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities. Other indirect expenses are not allocated.

East Carroll Parish School Board
Notes to the Basic Financial Statements

Fund Financial Statements (FFS)

Governmental Funds The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem and sales taxes are susceptible to accrual.

Entitlements and shared revenues (which include state equalization and state revenue sharing) are recorded as unrestricted grants-in-aid at the time of receipt or earlier if the susceptible to accrual criteria are met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Other receipts become measurable and available when cash is received by the School Board and are recognized as revenue at that time.

Expenditures

Salaries are recorded as paid. Salaries for nine-month employees are accrued at June 30.

Substantially all other expenditures are recognized when the related liability has been incurred.

Other Financing Sources (Uses) Capital lease transactions, sale of fixed assets, debt extinguishments, long-term debt proceeds and transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

Fiduciary Funds The agency funds are custodial in nature and do not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

East Carroll Parish School Board
Notes to the Basic Financial Statements

E. INVESTMENTS Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. The investments are reflected at quoted market prices except for the following which are permitted per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interfund receivables/payables on the balance sheet. Short-term interfund loans are also classified as interfund receivables/payables.

G. INVENTORIES Inventories of the governmental fund type are recorded as expenditures as purchased except for inventory of the child nutrition fund.

Inventory of the child nutrition special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. Unused commodities at June 30, 2007, are reported as deferred revenue. All purchased inventory items are valued at cost (first in, first out) and commodities are assigned values provided by the United States Department of Agriculture.

H. CAPITAL ASSETS Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$1,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings and improvements	10 - 40 years
Furniture and equipment	3 - 10 years

I. DEFERRED REVENUES The School Board reports deferred revenues on its combined balance sheet. Deferred revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and the revenue is recognized.

East Carroll Parish School Board
Notes to the Basic Financial Statements

J. COMPENSATED ABSENCES The School Board has the following policies for vacation and sick leave:

All 12-month employees earn 10 days of vacation leave each year. Vacations must be taken during the fiscal year or otherwise forfeited. All School Board employees earn 10 days of sick leave each year. Sick leave may be accumulated and carried forward to succeeding years without limitation. Upon retirement or death, unused accumulated sick leave of up to 25 days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

The School Board's recognition and measurement criterion for compensated absences follows:

Vacation leave and other compensated absences with similar characteristics are accrued as a liability as the benefits are earned by the employees when both of the following conditions are met:

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

The liability for sick leave is based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments.

K. RESTRICTED NET ASSETS For the government-wide statement of net assets, net assets are reported as restricted when constraints placed on net asset use are either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;

Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed. Restricted net assets reported in the statement of net assets is restricted through enabling legislation.

L. FUND EQUITY OF FUND FINANCIAL STATEMENTS

Reserves Reserves represent those portions of fund equity not appropriable for expenditures or legally segregated for a specific purpose.

Designated fund balances Designated fund balances represent tentative management plans for future use of financial resources that are subject to change.

M. INTERFUND TRANSACTIONS Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures, initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as deductions of expenditures in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

East Carroll Parish School Board
Notes to the Basic Financial Statements

N. SALES TAXES The East Carroll Parish School Board has three sales tax ordinances as follows:

The School Board has a one-percent parish-wide sales and use tax as authorized in a special election held December 1967. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used exclusively to supplement the payment of salaries for teachers in the public elementary and secondary schools of the parish and/or for the expenses of operating the schools. Such operating expenses include payment of salaries of other personnel employed by the School Board.

The School Board also has an additional one percent sales and use tax as authorized in a special election held July 17, 1993. In accordance with the proposition approved by voters of the Parish, the net proceeds of the tax are to be used for the purpose of salary enhancement for teachers and other employees of the School Board, to be divided annually on an equal basis among all employees.

In October 1998, voters approved a new one-percent sales and use tax. In accordance with the proposition approved by the voters of the parish, the net proceeds of the tax are to be used for salary enhancements for teachers and other employees of the School Board, construction, improvement, and maintenance of schools.

O. BUDGETS

General Budget Practices The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds' budgets that are not grant oriented. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. Grant funds are included in special revenue funds and their budgets are adopted at the time the grant applications are approved by the governor. The operating budgets include proposed expenditures and the means of financing them.

Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

Encumbrances Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded.

Budget Basis of Accounting All governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

P. USE OF ESTIMATES The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

Q. ELIMINATION AND RECLASSIFICATIONS In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified.

Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2007:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Child Nutrition	\$1,037,415	\$1,082,818	\$45,403

Actual expenditures exceeded budgeted expenditures as a result of unanticipated accruals occurring after the last budget revision.

B. DEFICIT FUND BALANCES The following funds have a deficit in the fund balance at June 30, 2007:

<u>Fund</u>	<u>Deficit Amount</u>
Child Nutrition	\$248,563

NOTE 3 - LEVIED TAXES The School Board levies taxes on real and business personal property located within East Carroll Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the East Carroll Parish Tax Assessor and approved by the state of Louisiana Tax Commission.

The East Carroll Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

Property Tax Calendar

Millage rates adopted	August 2006
Levy date	August 2006
Tax bills mailed	On or about November 1, 2006
Due date	December 31, 2006
Lien date	January 1, 2007

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

Assessed values are established by the East Carroll Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% machinery
10% residential improvements	15% commercial improvements
15% industrial improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 2007. Total assessed value was \$34,055,156 in calendar year 2006. Louisiana state law exempts the first \$7,500 of assessed value of a taxpayer's primary residence from parish property taxes. This homestead exemption was \$5,262,598 of the assessed value in calendar year 2006.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general fund. Revenues are recognized in the accounting period in which they become measurable and available. Property taxes are considered measurable in the calendar year of the tax levy. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. Available means due, or past due, and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. The remaining property taxes receivable are considered available because they are substantially collected within 60 days subsequent to year-end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2006 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2006 taxes is included on the accompanying balance sheet because it is not available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable were collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Parish-wide taxes:			
Constitutional	6.73	7.06	Statutory
Maintenance and operation	6.98	7.32	2008

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

NOTE 4 - DEPOSITS AND INVESTMENTS At June 30, 2007, the School Board has cash and cash equivalents (book balances) as follows:

Interest-bearing demand deposits:	
Statement A	\$4,288,196
Statement G	214,996
Time Deposits (Statement A)	<u>180,268</u>
Total deposits	4,683,460
Less: Time deposits classified as investments	<u>(180,268)</u>
Total cash and cash equivalents	<u>\$4,503,192</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At year-end, the School Board's carrying amount of deposits was \$4,683,460 and the bank balance was \$5,665,514. Of the bank balance, \$200,019 is covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name (GASB Category 1). \$5,465,495 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name (GASB Category 3).

Interest Rate Risk: The School Board's policy does not address interest rate risk.

Credit Rate Risk: The School Board's investments are in Certificates of Deposits which do not have credit ratings; however, the School Board's policy does not address credit rate risk.

Custodial Credit Risk-Deposits: In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2007 the School Board's bank balance of \$5,485,246 was exposed to custodial credit risk because \$5,385,227 of it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the School Board's name. Even though the pledged securities are considered uncollateralized under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon request.

Custodial Credit Risk-Investments: For an investment, this is the risk that, in the event of the failure of the counter party, the School Board will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The School Board does maintain investment accounts at a financial institution. As of June 30, 2007 the School Board had \$180,268 in certificates of deposit which are insured by the FDIC for \$100,000. The remaining \$80,268 is collateralized by securities which are not in the School Board's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

East Carroll Parish School Board
Notes to the Basic Financial Statements

NOTE 5 - RECEIVABLES The receivables at June 30, 2007, are as follows:

	<u>General</u>	<u>Title I</u>	<u>Other Governmental</u>	<u>Total</u>
Taxes:				
Sales tax	\$ 136,929	\$ -	\$ -	\$ 136,929
Intergovernmental - grants:				
Federal	-	352,584	270,359	622,943
State	14,804	-	133,707	148,511
Other	14,687	-	-	14,687
Total	<u>\$ 166,420</u>	<u>\$ 352,584</u>	<u>\$ 404,066</u>	<u>\$ 923,070</u>

The School Board expects to collect these balances in full; therefore, no allowance for doubtful accounts was established.

NOTE 6 - CAPITAL ASSETS Capital asset balances and activity for the year ended June 30, 2007 is as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance Ending</u>
Governmental activities				
Capital assets, not being depreciated:				
Land	\$ 318,180	\$ -	\$ -	\$ 318,180
Capital assets, being depreciated:				
Buildings and improvements	9,761,258	-	-	9,761,258
Furniture and equipment	2,767,333	145,995	-	2,913,328
Total capital assets being depreciated.	<u>12,528,591</u>	<u>145,995</u>	<u>-</u>	<u>12,674,586</u>
Less accumulated depreciation				
Buildings	3,489,689	296,637	-	3,786,326
Furniture and equipment	2,049,774	242,242	-	2,292,016
Total accumulated depreciation	<u>5,539,463</u>	<u>538,879</u>	<u>-</u>	<u>6,078,342</u>
Depreciable capital assets, net	<u>6,989,128</u>	<u>(392,884)</u>	<u>-</u>	<u>6,596,244</u>
Governmental activities, capital assets, net	<u>\$ 7,307,308</u>	<u>\$ (392,884)</u>	<u>\$ -</u>	<u>\$ 6,914,424</u>

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

Depreciation expense was charged to governmental activities as follows:

	<u>Amount</u>
Regular programs	\$ 359,287
Special programs	26,644
Other instructional programs	11,717
Instructional staff support	-
General Administration	5,984
School administration	21,113
Business services	1,800
Plant services	4,784
Student transportation services	41,834
Food services	13,266
Student services	52,450
Total depreciation expense	\$ 538,879

NOTE 7 - RETIREMENT SYSTEMS

Plan description Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with five years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least 10 years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after 10 years of service at age 60. The maximum retirement allowance is computed at 3½ percent times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

East Carroll Parish School Board
Notes to the Basic Financial Statements

Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

Teachers' Retirement System of Louisiana
 Post Office Box 94123
 Baton Rouge, Louisiana 70804-9123
 (225) 925-6446

Louisiana School Employees' Retirement System
 Post Office Box 44516
 Baton Rouge, Louisiana 70804
 (225) 925-6484

Funding Policy Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974. The School Board's employer contribution for the TRS, as provided by state law, is funded through annual appropriations, by deductions from local ad valorem taxes, and by remittances from the School Board. For the LSERS, the School Board's employer contribution is funded by annual appropriations.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana.

Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2007, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.00%	15.80%
Plan A	9.10%	15.80%
Louisiana School Employees' Retirement System	7.50%	19.60%

Total covered payroll of the School Board for TRS - Regular Plan, TRS - Plan A, and LSERS for the year ended June 30, 2007, amounted to \$6,751,276, \$45,908 and \$616,949, respectively. Employer contributions for the year ended June 30, 2007, and each of the two preceding years are as follows:

Fiscal Year Ended	TRS	LSERS
June 30, 2005	998,884	85,148
June 30, 2006	1,035,073	108,538
June 30, 2007	1,066,702	120,922

The required contributions were made.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS The East Carroll Parish School Board provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits for retirees are provided through Blue Cross/Blue Shield. The cost of benefits for retirees is paid jointly by the employee and the School Board. The School Board's portion of the cost for 2007 totaled \$254,180 for 108 retirees, and was recognized as an expenditure when the monthly premium was paid.

East Carroll Parish School Board
Notes to the Basic Financial Statements

NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES The payables at June 30, 2007, are as follows:

	General	Title I	Child Nutrition	Other Governmental	Total
Salaries	\$ 630,094	\$ 86,459	\$ 65,686	\$ 74,743	\$ 856,982
Accounts	117,884	2,843	500	14,730	135,957
Total	<u>\$ 747,978</u>	<u>\$ 89,302</u>	<u>\$ 66,186</u>	<u>\$ 89,473</u>	<u>\$ 992,939</u>

NOTE 10 - COMPENSATED ABSENCES At June 30, 2007, employees of the School Board have accumulated and vested \$373,177 of employee leave benefits, including \$5,334 of salary-related benefits. These employee leave benefits were computed in accordance with GASB Codification Section C60.

NOTE 11 - AGENCY FUND DEPOSITS DUE OTHERS A summary of changes in agency fund deposits due others follows:

	Balance, Beginning	Additions	Reductions	Balance, Ending
Agency funds:				
School activities fund	\$ 129,525	\$ 184,945	\$ 174,840	\$ 139,630
Retirement insurance fund	51,455	119,089	95,178	75,366
Total	<u>\$ 180,980</u>	<u>\$ 304,034</u>	<u>\$ 270,018</u>	<u>\$ 214,996</u>

NOTE 12 - LONG-TERM LIABILITIES The following is a summary of the long-term obligation transactions for the year ended June 30, 2007:

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds Payable:					
Certificate of indebtedness	\$ 1,668,000	\$ 0	\$ 87,000	\$ 1,581,000	\$ 92,000
Other liabilities:					
Compensated absences	431,561	177,382	235,766	373,177	235,766
Governmental Activities					
Long-term liabilities	<u>\$ 2,099,561</u>	<u>\$ 177,382</u>	<u>\$ 322,766</u>	<u>\$ 1,954,177</u>	<u>\$ 327,766</u>

The compensated absences liability attributable to the governmental activities will be liquidated 100% by the General Fund.

**East Carroll Parish School Board
Notes to the Basic Financial Statements**

The individual bond issues are as follows:

<u>Bond Issue</u>	<u>Original Issue</u>	<u>Interest Rates</u>	<u>Final Due</u>	<u>Interest to Maturity</u>	<u>Principal Outstanding</u>
Certificate of Indebtedness	\$1,782,000	5.375%	2019	\$626,402	\$1,581,000

All principal and interest requirements are funded with general operating funds of the General Fund. The certificates are due as follows:

<u>Year ending June 30,</u>	<u>Principal Payments</u>	<u>Interest Payments</u>	<u>Total</u>
2008	\$ 92,000	\$ 72,186	\$ 164,186
2009	96,000	67,994	163,994
2010	100,000	63,586	163,586
2011	105,000	59,018	164,018
2012	110,000	54,234	164,234
2013-2017	628,000	191,297	819,297
2018-2020	450,000	41,872	491,872
Total	\$ 1,581,000	\$ 550,187	\$ 2,131,187

In accordance with the Louisiana Revised Statutes 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess 50% of the assessed value of taxable property. At June 30, 2007, the statutory limit was \$17,027,578 and the outstanding bonded debt totaled \$1,581,000.

NOTE 13 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)

Interfund receivable/payable:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General	Title I	\$ 263,282
General	Child Nutrition	186,617
General	Other governmental	336,145
Other governmental	Child Nutrition	5,401
Total		\$ 791,445

The purpose of interfund receivable/payables between the general fund, Title I, and other governmental is to cover expenditures on cost reimbursement programs until reimbursements are received. The Child Nutrition fund owes other funds because of the deficit in Child Nutrition. This is not expected to be repaid within a year.

Transfers during the year were as follows:

<u>Fund</u>	<u>Transfers in</u>	<u>Transfers out</u>
General Fund	\$1,127	\$4,293
Other Governmental	4,293	1,127
Total	\$5,420	\$5,420

Transfers were made from the General fund to the Other Governmental funds to clear out a negative fund balance and close out the fund as well as close out inactive funds.

East Carroll Parish School Board
Notes to the Basic Financial Statements

NOTE 14 - RISK MANAGEMENT The School Board is at risk for property damage, liability and theft which are covered by insurance policies. The School Board is also fully insured for workers' compensation.

NOTE 15 - LITIGATION AND CLAIMS

Litigation At June 30, 2007, the School Board was involved in various litigation. It is the opinion of the legal advisor for the School Board that the potential loss to the Board would not be material to the financial statements.

Grant Disallowance The School Board participates in a number of state and federally assisted grant programs. These programs are subject to compliance audits under the single audit approach. Such audits could lead to request for reimbursement by the grantor agency for expenditures disallowed under the terms of the grants. School Board management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

NOTE 16 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The state of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$13,554. This amount was recognized as state revenue and a corresponding expenditure in the applicable fund from which the salary was paid.

NOTE 17 - RESERVED FUND BALANCES (FFS LEVEL ONLY)

Reserved for inventory This amount represents the portion of fund balance relating to inventory on hand which is therefore unavailable to be expended for other purposes.

Reserved for salary enhancements and construction and maintenance This amount represents the portion of fund balance arising from the 1993 and 1998 sales taxes that are restricted to payments for salaries, construction and maintenance.

NOTE 18 - ECONOMIC DEPENDENCY Statement of Financial Accounting Standards (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entities revenue. The Minimum Foundation funding provided by the state to all public school systems in Louisiana is primarily based on October 1 student count. The state provided \$8,233,711 to the School Board, which represents approximately 54% of the School Board's total revenue for the year.

East Carroll Parish School Board

REQUIRED SUPPLEMENTAL INFORMATION
BUDGETARY COMPARISON SCHEDULES

**East Carroll Parish School Board
Budgetary Comparison Schedules**

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

GENERAL FUND The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

TITLE I This program is designed to improve the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. Services supplement, not supplant, those normally provided by state and local educational agencies.

CHILD NUTRITION The basic goals of the Child Nutrition Programs are to serve nutritionally adequate, attractive and moderately priced meals, to help children grow socially and emotionally, to extend educational influence to homes of school children, and to provide learning experiences that will improve the children's food habits with the ultimate goal of physically fit adults.

EAST CARROLL PARISH SCHOOL BOARD

**GENERAL FUND
Budgetary Comparison Schedule
For the Year Ended June 30, 2007**

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 3,827,389	\$ 3,827,389	\$ 3,827,389	0
Resources (inflows)				
Local sources:				
Ad valorem taxes	409,217	428,676	416,129	(12,547)
Sales and use taxes	1,379,794	1,313,000	1,498,712	185,712
Interest earnings	401,663	445,000	211,757	(233,243)
Other	89,800	116,463	369,553	253,090
State sources:				
Equalization	8,243,170	8,233,711	7,933,711	(300,000)
Other	155,388	149,828	149,967	129
Transfers from other funds	207,273	935,145	1,127	(934,018)
Amounts available for appropriations	14,713,684	15,449,212	14,408,335	(1,040,877)
Charges to appropriations (outflows)				
Instruction:				
Regular programs	5,204,899	4,567,329	4,581,148	(13,819)
Special education programs	817,150	703,186	647,974	55,212
Other instructional programs	374,150	390,856	375,269	15,587
Support services:				
Student services	381,600	397,420	295,568	101,852
Instructional staff support	212,600	255,489	256,966	(1,477)
General administration	278,178	249,636	251,562	(1,926)
School administration	991,100	942,401	941,806	595
Business services	400,300	445,638	436,177	9,461
Plant services	1,113,400	1,178,709	1,156,451	22,258
Student transportation services	692,701	759,220	612,066	147,154
Food services	0	0	29,185	(29,185)
Community service programs	6,000	7,150	0	7,150
Capital Outlay	10,000	0	136,230	(136,230)
Debt service:				
Principal retirement	0	0	87,000	(87,000)
Interest and bank charges	163,218	199,233	112,232	87,001
Transfers to other funds	241,000	1,112,153	4,293	1,107,860
Total charges to appropriations	10,886,296	11,208,420	9,923,927	1,284,493
BUDGETARY FUND BALANCES, ENDING	\$ 3,827,388	\$ 4,240,792	\$ 4,484,408	243,616

EAST CARROLL PARISH SCHOOL BOARD

TITLE I
Budgetary Comparison Schedule
For the Year Ended June 30, 2007

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 0	\$ 0	\$ 0	0
Resources (inflows)				
Federal sources	2,131,020	2,154,314	1,784,157	(370,157)
Amounts available for appropriations	2,131,020	2,154,314	1,784,157	(370,157)
Charges to appropriations (outflows)				
Instruction:				
Other instructional programs	1,786,163	1,809,255	1,248,151	561,104
Support services:				
Instructional staff support	173,637	173,637	226,692	(53,055)
General administration	126,296	126,498	108,602	17,896
Business services	2,243	2,243	2,243	0
Plant services	31,541	31,541	187,329	(155,788)
Student transportation services	11,140	11,140	11,140	0
Total charges to appropriations	2,131,020	2,154,314	1,784,157	370,157
BUDGETARY FUND BALANCES, ENDING	\$ 0	\$ 0	\$ 0	0

EAST CARROLL PARISH SCHOOL BOARD

**CHILD NUTRITION
Budgetary Comparison Schedule
For the Year Ended June 30, 2007**

Exhibit 1-3

	<u>BUDGETED AMOUNTS</u>		<u>ACTUAL AMOUNTS</u>	<u>VARIANCE WITH FINAL BUDGET</u>
	<u>ORIGINAL</u>	<u>FINAL</u>		<u>POSITIVE (NEGATIVE)</u>
BUDGETARY FUND BALANCES, BEGINNING	\$ (253,707)	\$ (247,857)	\$ (247,857)	0
Resources (inflows)				
Local sources:				
Interest earnings	0	1,582	1,875	293
Food services	31,000	29,700	28,467	(1,233)
Other	5,000	720	718	(2)
State sources:				
Equalization	250,676	297,938	300,000	2,062
Federal sources	751,000	710,000	751,052	41,052
Amounts available for appropriations	<u>783,969</u>	<u>792,083</u>	<u>834,255</u>	<u>42,172</u>
Charges to appropriations (outflows)				
Support services:				
Food services	<u>1,037,876</u>	<u>1,037,415</u>	<u>1,082,818</u>	<u>(45,403)</u>
Total charges to appropriations	<u>1,037,876</u>	<u>1,037,415</u>	<u>1,082,818</u>	<u>(45,403)</u>
BUDGETARY FUND BALANCES, ENDING	\$ <u>(253,707)</u>	\$ <u>(245,332)</u>	\$ <u>(248,563)</u>	<u>(3,231)</u>

East Carroll Parish School Board
Notes to the Budgetary Comparison Schedules
For the Year Ended June 30, 2007

A. BUDGETS

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments. These revisions were considered insignificant by the Board.

Budget Basis of Accounting All Budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

B. EXCESS OF ACTUAL EXPENDITURES OVER BUDGETED EXPENDITURES

The following individual funds had actual expenditures over budgeted expenditures for the year ended June 30, 2007:

	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Child Nutrition	\$1,037,415	\$1,082,818	\$45,403

EAST CARROLL PARISH SCHOOL BOARD

**Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2007**

Note C - Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	<u>GENERAL</u> <u>FUND</u>	<u>TITLE I</u>	<u>CHILD</u> <u>NUTRITION</u>
<u>Sources/inflows of resources:</u>			
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 14,408,335	\$ 1,784,157	\$ 834,256
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	(3,827,389)	0	247,857
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	<u>(1,127)</u>	<u>0</u>	<u>0</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>10,579,819</u>	<u>1,784,157</u>	<u>1,082,112</u>
<u>Uses/outflows of resources:</u>			
Actual amounts (budgetary basis) "Total charges to appropriations" from the Budgetary Comparison Schedule	9,923,927	1,784,157	1,082,818
Transfer to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	<u>(4,293)</u>	<u>0</u>	<u>0</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 9,919,634</u>	<u>\$ 1,784,157</u>	<u>\$ 1,082,818</u>

East Carroll Parish School Board

**SUPPLEMENTAL INFORMATION:
COMBINING
NONMAJOR GOVERNMENTAL FUNDS -
BY FUND TYPE**

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Balance Sheet - By Fund Type
 June 30, 2007

Exhibit 2

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
ASSETS			
Cash and cash equivalents	\$ 101,964	\$ 80,435	\$ 182,399
Receivables	404,066	0	404,066
Interfund receivables	5,401	0	5,401
TOTAL ASSETS	511,431	80,435	591,866
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	89,473	0	89,473
Interfund payables	336,145	0	336,145
Total Liabilities	425,618	0	425,618
Fund Balances:			
Unreserved, reported in			
Special Revenue	85,813	0	85,813
Capital Projects	0	80,435	80,435
Total Fund Balances	85,813	80,435	166,248
TOTAL LIABILITIES AND FUND BALANCES	\$ 511,431	\$ 80,435	\$ 591,866

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances - By Fund Type
 For the Year Ended June 30, 2007

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECTS	TOTAL
REVENUES			
Local sources:			
Taxes:			
Interest earnings	\$ 19	\$ 3,936	\$ 3,955
State sources:			
Other	530,367	0	530,367
Federal sources	1,172,435	0	1,172,435
Total Revenues	1,702,821	3,936	1,706,757
EXPENDITURES			
Current:			
Instruction:			
Regular programs	413,105	0	413,105
Special programs	237,346	0	237,346
Other instructional programs	392,006	0	392,006
Support services:			
Student services	376,694	0	376,694
Instructional staff support	137,713	0	137,713
General administration	43,414	0	43,414
School administration	2,300	0	2,300
Business services	4,404	0	4,404
Plant services	27,563	0	27,563
Student transportation services	26,340	0	26,340
Food services	597	0	597
Capital outlay	9,765	0	9,765
Total Expenditures	1,671,247	0	1,671,247
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	31,574	3,936	35,510
OTHER FINANCING SOURCES (USES)			
Transfers in	4,293	0	4,293
Transfers out	(1,127)	0	(1,127)
Total Other Financing Sources (Uses)	3,166	0	3,166
Net Change in Fund Balances	34,740	3,936	38,676
FUND BALANCES - BEGINNING	51,073	76,499	127,572
FUND BALANCES - ENDING	\$ 85,813	\$ 80,435	\$ 166,248

**East Carroll Parish School Board
Nonmajor Special Revenue Funds**

TITLE II This program was designed to improve the skills of teachers and the quality of instruction in mathematics and science, also to increase the accessibility of such instruction to all students.

TITLE IV This program was designed to establish state and local programs of alcohol and drug abuse education and prevention coordinated with related community efforts and resources.

TITLE V To assist state and local educational agencies in the reform of elementary and secondary education.

IDEA These grants to states assist the School Board in providing a free appropriate education to all children with disabilities.

PRESCHOOL These grants to states assist the School Board in providing a free appropriate public education to preschool disabled children aged three through five years.

SUMMER FEEDING This program was established to ensure continued availability of high-quality meals during the summer months similar to those provided during the school year.

FAMILY NUTRITION NIGHT To provide nutritional education to students and families.

RURAL EDUCATION ACHIEVEMENT This program was designed to provide high-poverty, rural local educational agencies with teacher professional development and educational technology.

VOCATIONAL EDUCATION - Basic Grants to States- This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

§ (g) To provide enhancement to elementary, secondary, and vocational programs funded through the State Minimum Foundation Program.

TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) To provide grants to states, territories, or tribes to assist needy families with children so that children can be cared for in their own homes; to reduce dependency by promoting job preparation, work, and marriage; to reduce and prevent out-of-wedlock pregnancies; and to encourage the formation and maintenance of two parent families.

EDUCATION EXCELLENCE To enhance instructional programs approved by the legislature for students of pre-kindergarten through twelfth grade with proceeds received from tobacco settlement monies.

READING FIRST This program was designed to provide additional assistance to ensure all children can read at grade level or above by the end of third grade.

OTHER MISCELLANEOUS

Vocational Education – Basic Grants to States – This program was designed to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

**East Carroll Parish School Board
Nonmajor Special Revenue Funds**

K-3 Reading Initiative – The goal of this program is to improve the reading and math skills of Louisiana public school students in kindergarten through third grade.

Learn – This program provides grants to state educational agencies (SEAs) on a formula basis to support the development and implementation of comprehensive reform plans at the state, local, and school levels to improve the teaching and learning of all children. It supports top down and bottom up reform through subgrants by SEAs of 90 percent of these grant funds to local educational agencies (LEAs) and through LEAs to individual schools. It supports the establishment by states and individual localities of high standards in their core content areas. All aspects of the educational process are aligned, including, but not limited to assessments, curriculum, professional development, and pre-service training.

Miscellaneous state/federal grants – These include various small federal and state grants.

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2007

	TITLE II	TITLE IV	TITLE V	IDEA
ASSETS				
Cash and cash equivalents	\$ 0	\$ 0	\$ 0	0
Receivables	38,971	6,688	28,611	79,223
Interfund receivable	0	0	0	0
TOTAL ASSETS	38,971	6,688	28,611	79,223
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	1,555	5,153	5,380	20,412
Interfund payable	37,416	1,535	23,231	58,811
Total Liabilities	38,971	6,688	28,611	79,223
Fund Balances:				
Unreserved and undesignated	0	0	0	0
Total Fund Balances	0	0	0	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 38,971	\$ 6,688	\$ 28,611	\$ 79,223

Exhibit 4

<u>PRESCHOOL</u>	<u>SUMMER FEEDING</u>	<u>FAMILY NUTRITION NIGHT</u>	<u>RURAL EDUCATION ACHIEVEMENT</u>	<u>VOCATIONAL EDUCATION</u>
\$ 0	\$ 640	\$ 35	\$ 0	0
1,591	2,570	0	509	27,888
0	5,401	0	0	0
<u>1,591</u>	<u>8,611</u>	<u>35</u>	<u>509</u>	<u>27,888</u>
0	0	0	0	257
1,591	0	35	509	27,631
<u>1,591</u>	<u>0</u>	<u>35</u>	<u>509</u>	<u>27,888</u>
0	8,611	0	0	0
0	8,611	0	0	0
<u>\$ 1,591</u>	<u>\$ 8,611</u>	<u>\$ 35</u>	<u>\$ 509</u>	<u>27,888</u>

(Continued)

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Balance Sheet
 June 30, 2007

	8 (a)	TANF	EDUCATIONAL EXCELLENCE	READING FIRST
ASSETS				
Cash and cash equivalents	\$ 44	\$ 0	\$ 98,984	\$ 0
Receivables	18,613	0	0	83,522
Interfund receivable	0	0	0	0
TOTAL ASSETS	18,657	0	98,984	83,522
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	9,213	0	10,159	29,795
Interfund payable	9,444	0	12,126	53,727
Total Liabilities	18,657	0	22,284	83,522
Fund Balances:				
Unreserved and undesignated	0	0	76,700	0
Total Fund Balances	0	0	76,700	0
TOTAL LIABILITIES AND FUND BALANCES	\$ 18,657	\$ 0	\$ 98,984	\$ 83,522

Exhibit 4

OTHER	
<u>MISCELLANEOUS</u>	<u>TOTAL</u>
\$ 2,261	\$ 101,964
115,880	404,066
<u>0</u>	<u>5,401</u>
<u>118,141</u>	<u>511,431</u>
7,549	89,473
<u>110,090</u>	<u>336,145</u>
<u>117,639</u>	<u>425,618</u>
<u>502</u>	<u>85,813</u>
<u>502</u>	<u>85,813</u>
<u>\$ 118,141</u>	<u>\$ 511,431</u>

(CONCLUDED)

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Year Ended June 30, 2007

	<u>TITLE II</u>	<u>TITLE IV</u>	<u>TITLE V</u>	<u>IDEA</u>
REVENUES				
Local sources:				
Interest earnings	\$ 0	\$ 0	\$ 0	\$ 0
State sources:				
Other	0	0	0	0
Federal sources	<u>165,205</u>	<u>24,541</u>	<u>93,485</u>	<u>353,598</u>
Total revenues	<u>165,205</u>	<u>24,541</u>	<u>93,485</u>	<u>353,598</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	0	0	0	11,433
Special programs	0	0	0	232,224
Other instructional programs	121,374	0	87,419	0
Support services:				
Student services	0	13,448	0	3,136
Instructional staff support	33,718	1,994	0	40,426
General administration	10,113	518	6,046	22,001
School administration	0	0	0	0
Business services	0	0	0	4,404
Plant services	0	8,581	0	18,982
Student transportation services	0	0	0	20,992
Food services	0	0	0	0
Capital outlay	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total expenditures	<u>165,205</u>	<u>24,541</u>	<u>93,485</u>	<u>353,598</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	0	0	0	0
Transfers out	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	0	0	0	0
FUND BALANCES AT BEGINNING OF YEAR	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES AT END OF YEAR	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

Exhibit 5

PRESCHOOL	SUMMER FEEDING	FAMILY NUTRITION NIGHT	RURAL EDUCATION ACHIEVEMENT	VOCATIONAL EDUCATION
\$ 0	\$ 19	\$ 0	\$ 0	\$ 0
0	0	0	0	0
<u>5,508</u>	<u>0</u>	<u>6,249</u>	<u>53,486</u>	<u>49,556</u>
<u>5,508</u>	<u>19</u>	<u>6,249</u>	<u>53,486</u>	<u>49,556</u>
0	0	1,791	0	0
5,122	0	0	0	0
0	0	2,291	50,855	48,706
0	0	589	0	0
0	0	601	0	0
386	0	245	2,631	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	191	0	850
0	56	541	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>5,508</u>	<u>56</u>	<u>6,249</u>	<u>53,486</u>	<u>49,556</u>
<u>0</u>	<u>(37)</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
0	0	0	0	0
0	(37)	0	0	0
0	8,648	0	0	0
<u>\$ 0</u>	<u>\$ 8,611</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

(Continued)

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2007

	\$ (g)	TANF	EDUCATIONAL EXCELLENCE	READING FIRST
REVENUES				
Local sources:				
Interest earnings	\$ 0	\$ 0	\$ 0	0
State sources:				
Other	92,378	0	271,808	0
Federal sources	0	0	0	385,314
Total revenues	92,378	0	271,808	385,314
EXPENDITURES				
Current:				
Instruction:				
Regular programs	16,244	0	72,471	231,836
Special programs	0	0	0	0
Other instructional programs	74,648	0	0	0
Support services:				
Student services	1,333	0	155,833	98,939
Instructional staff support	0	0	0	54,539
General administration	0	0	0	0
School administration	0	0	0	0
Business services	0	0	0	0
Plant services	0	0	0	0
Student transportation services	153	0	0	0
Food services	0	0	0	0
Capital outlay	0	0	9,765	0
Total expenditures	92,378	0	238,069	385,314
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES				
	0	0	33,739	0
OTHER FINANCING SOURCES (USES)				
Transfers in	0	4,293	0	0
Transfers out	0	0	0	0
Total Other Financing Sources (Uses)	0	4,293	0	0
Net Change in Fund Balances	0	4,293	33,739	0
FUND BALANCES AT BEGINNING OF YEAR	0	(4,293)	42,961	0
FUND BALANCES AT END OF YEAR	\$ 0	\$ 0	76,700	0

Exhibit 5

OTHER	
<u>MISCELLANEOUS</u>	<u>TOTAL</u>
\$ 0	\$ 19
166,181	530,367
<u>35,513</u>	<u>1,172,435</u>
<u>201,694</u>	<u>1,702,821</u>
79,330	413,105
0	237,346
6,713	392,006
103,416	376,694
6,435	137,713
1,474	43,414
2,300	2,300
0	4,404
0	27,563
4,154	26,340
0	597
<u>0</u>	<u>9,765</u>
<u>203,822</u>	<u>1,671,247</u>
<u>(2,128)</u>	<u>31,574</u>
0	4,293
<u>(1,127)</u>	<u>(1,127)</u>
<u>(1,127)</u>	<u>3,166</u>
(3,255)	34,740
<u>3,757</u>	<u>51,073</u>
<u>\$ 502</u>	<u>\$ 85,813</u>

(concluded)

**East Carroll Parish School Board
Non-Major Capital Project Funds**

CAPITAL PROJECT AND CAPITAL PROJECT LDB The Capital Project and Capital Project LDB funds account for funds used to rebuild Lake Providence High School after a fire.

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS
 Combining Balance Sheet
 June 30, 2007

Exhibit 6

	CAPITAL PROJECT	CAPITAL PROJECT LDB	TOTAL
ASSETS			
Cash and cash equivalents	\$ 50,796	\$ 29,639	\$ 80,435
Interfund receivable	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>50,796</u>	<u>29,639</u>	<u>80,435</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Interfund payable	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	<u>0</u>	<u>0</u>	<u>0</u>
Fund Balances			
Unreserved and undesignated	<u>50,796</u>	<u>29,639</u>	<u>80,435</u>
Total Fund Balances	<u>50,796</u>	<u>29,639</u>	<u>80,435</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 50,796</u>	<u>\$ 29,639</u>	<u>\$ 80,435</u>

EAST CARROLL PARISH SCHOOL BOARD

NONMAJOR CAPITAL PROJECTS FUNDS
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 For the Year Ended June 30, 2007

Exhibit 7

	CAPITAL PROJECT	CAPITAL PROJECT LDB	TOTAL
REVENUES			
Local sources:			
Interest earnings	\$ 2,522	\$ 1,414	\$ 3,936
Total revenues	2,522	1,414	3,936
EXPENDITURES			
Current:			
Capital outlay	0	0	0
Total expenditures	0	0	0
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	2,522	1,414	3,936
FUND BALANCES AT BEGINNING OF YEAR	48,274	28,225	76,499
FUND BALANCES AT END OF YEAR	\$ 50,796	\$ 29,639	\$ 80,435

East Carroll Parish School Board
Agency Funds

SCHOOL ACTIVITIES FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. Although the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

RETIREMENT INSURANCE FUND The monthly receipt and payment of funds for the retirees' insurance benefits are accounted for in the retiree insurance fund. Although the account is under the supervision of the School Board, it belongs to the retirees and is not available for use by the School Board.

EAST CARROLL PARISH SCHOOL BOARD
AGENCY FUNDS
Combining Schedule of Assets and Liabilities
June 30, 2007

Exhibit 8

	SCHOOL ACTIVITIES FUND	RETIREMENT INSURANCE FUND	TOTAL
ASSETS			
Cash and cash equivalents	\$ 139,630	\$ 75,366	\$ 214,996
TOTAL ASSETS	139,630	75,366	214,996
 LIABILITIES			
Deposits due others	139,630	75,366	214,996
TOTAL LIABILITIES	\$ 139,630	\$ 75,366	\$ 214,996

EAST CARROLL PARISH SCHOOL BOARD

AGENCY FUNDS
Statement of Changes In Fiduciary Assets and Liabilities
For the Year Ended June 30, 2007

Exhibit 9

	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
*****SCHOOL ACTIVITIES FUND*****				
ASSETS				
Cash and cash equivalents	\$ 129,525	\$ 184,945	\$ 174,840	\$ 139,630
	<u>129,525</u>	<u>184,945</u>	<u>174,840</u>	<u>139,630</u>
LIABILITIES				
Deposits due others	<u>129,525</u>	<u>184,945</u>	<u>174,840</u>	<u>139,630</u>
	<u>129,525</u>	<u>184,945</u>	<u>174,840</u>	<u>139,630</u>
*****RETIREMENT INSURANCE FUND*****				
ASSETS				
Cash and cash equivalents	<u>51,455</u>	<u>119,089</u>	<u>95,178</u>	<u>75,366</u>
	<u>51,455</u>	<u>119,089</u>	<u>95,178</u>	<u>75,366</u>
LIABILITIES				
Deposits due others	<u>51,455</u>	<u>119,089</u>	<u>95,178</u>	<u>75,366</u>
	<u>51,455</u>	<u>119,089</u>	<u>95,178</u>	<u>75,366</u>
*****TOTAL AGENCY FUNDS*****				
ASSETS				
Cash and cash equivalents	<u>180,980</u>	<u>304,034</u>	<u>270,018</u>	<u>214,996</u>
	<u>180,980</u>	<u>304,034</u>	<u>270,018</u>	<u>214,996</u>
LIABILITIES				
Deposits due others	<u>180,980</u>	<u>304,034</u>	<u>270,018</u>	<u>214,996</u>
	<u>\$ 180,980</u>	<u>\$ 304,034</u>	<u>\$ 270,018</u>	<u>\$ 214,996</u>

EAST CARROLL PARISH SCHOOL BOARD
SCHOOL ACTIVITIES AGENCY FUND
Schedule of Changes in Deposits Due Others
For the Year Ended June 30, 2007

Exhibit 10

SCHOOL	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Lake Providence Junior High	\$ 63,923	\$ 35,398	\$ 23,270	\$ 76,049
Lake Providence Senior High	6,853	65,439	65,652	6,640
Monticello High	23,299	37,122	39,974	20,447
Northside Elementary	6,209	14,398	14,231	6,376
Southside Elementary	<u>29,241</u>	<u>32,590</u>	<u>31,713</u>	<u>30,118</u>
Total	<u>\$ 129,525</u>	<u>\$ 184,945</u>	<u>\$ 174,840</u>	<u>\$ 139,630</u>

**East Carroll Parish School Board
General**

Exhibit 11

**Schedule of Compensation Paid Board Members
For The Year Ended June 30, 2007**

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$650 per month and the president receives \$50 per month for performing the duties of his/her office. Members received an additional \$50 for an extra meeting that was held during the year.

<u>Board Member</u>	<u>Actual Salary</u>
Glenn Dixon, President	\$ 8,450
Gene Edmondson, Vice President	7,850
Ralph Coleman	7,850
Harriet Bridges	7,850
Evangelia Fields-Combs	7,850
Oleander Green	3,900
Fannie Hawkins	7,850
Tommy McKeel	7,850
Georgean Jackson	7,850
Roger Shoemaker	<u>4,550</u>
Total	<u>\$71,850</u>

East Carroll Parish School Board

SINGLE AUDIT INFORMATION



ALLEN, GREEN & WILLIAMSON, LLP
CERTIFIED PUBLIC ACCOUNTANTS

2414 Ferrand Street
Monroe, LA 71201

P. O. Box 6075
Monroe, LA 71211-6075

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Murgie Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomason, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board as of and for the year ended June 30, 2007, which collectively comprise the School Board's basic financial statements and have issued our report thereon dated December 19, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Board's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Cost as 07-F2 to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the School Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of non-compliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as items 07-F1, 07-F3, 07-F4, and 07-F5.

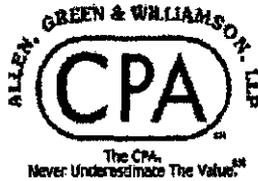
We noted a certain matter that we reported to Management of East Carroll Parish School Board in a separate letter dated December 19, 2007.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 19, 2007



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Margie Williamson, CPA

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(Retired) 1963 - 2000

Report on Compliance With Requirements Applicable to Each Major Program and on Internal Control Over Compliance in Accordance With OMB Circular A-133

Board Members
East Carroll Parish School Board
Lake Providence, Louisiana

Compliance

We have audited the compliance of the East Carroll Parish School Board with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The School Board's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Board's management. Our responsibility is to express an opinion on the School Board's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School Board's compliance with those requirements.

In our opinion, the School Board complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.

Internal Control Over Compliance

The management of the School Board is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Board's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of these reports may be limited, under Louisiana Revised Statute 24:513 this report is distributed by the Office of the Louisiana Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 19, 2007

**East Carroll Parish School Board
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

Exhibit 12

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass Through Grantor No.	Expenditures
CASH FEDERAL AWARDS			
United States Department of Agriculture			
Passed Through Louisiana Department of Education:			
National School Lunch Program	10.555	NONE	\$ 496,371
School Breakfast Program	10.553	NONE	189,678
Summer Feeding Program for Children	10.559	NONE	22,619
Family Nutrition Nights	10.574	28-07-FN-18	<u>6,249</u>
Total United States Department of Agriculture			714,917
United States Department of Education			
Passed through Louisiana Department of Education:			
Title I Grants to Local Educational Agencies			
Basic Grant Program	84.010	07-IASA-18-1	1,784,157
Special Education:			
Grants to States (Part B)	84.027	07-IB-18-S	353,598
Preschool Grants	84.173	07-IP-18-S	5,508
Vocational Education: Basic Grants to States	84.048A	28-07-02-18	49,556
Title IV (Safe and Drug Free Schools)	84.186		24,541
Title II (Improving Teacher Quality State Grants)	84-367	03-IASA-18-II	165,205
Technology Literacy Challenge(EETT)	84.318X	26-07-49-18	32,017
Title V	84.298	28-07-70-18	93,465
Rural Education Achievement Program (REAP)	84.358B	28-07-RE-18	53,486
Reading First State Grants	84.357A	28-07-RF-18	385,314
Tech Prep Education	84.243		<u>3,496</u>
Total United States Department of Education			
TOTAL CASH FEDERAL AWARDS			<u>2,950,343</u>
NONCASH FEDERAL AWARDS			
United States Department of Agriculture and Forestry:			
Passed Through Louisiana Department of Agriculture and Forestry:			
Food Distribution Program (Commodities)	10.550	NONE	<u>42,384</u>
TOTAL FEDERAL AWARDS			<u>\$3,707,644</u>

**East Carroll Parish School Board
Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2007**

NOTE 1 - GENERAL The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the East Carroll Parish School Board. The East Carroll Parish School Board's (the "School Board") reporting entity is defined in note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in note 1 to the School Board's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards are reported in the School Board's basic financial statements as follows:

	Federal Sources
Title I	\$ 1,784,157
Child Nutrition	751,052
Other Miscellaneous	35,513
Nonmajor Special Revenue	
Title II	165,205
Title IV	24,541
Title V	93,465
IDEA	353,598
Preschool	5,508
Family Nutrition Night	6,249
Rural Education Achievement	53,486
Vocational Education	49,556
Reading First	385,314
Other governmental	<u>1,136,922</u>
Total	<u>\$ 3,707,644</u>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

NOTE 5 - MATCHING REVENUES For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

NOTE 6 - NONCASH PROGRAMS The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2007**

PART I - Summary of the auditors' results

Financial statement audit

- i. The type of audit report issued was unqualified.
- ii. There was one significant deficiency required to be disclosed by Government Auditing Standards issued by the Comptroller General of the United States.

The significant deficiency disclosed was not considered to be a material weakness as defined by the Government Auditing Standards.

- iii. There were four instances of noncompliance considered material, as defined by the Government Auditing Standards, to the financial statement.

Audit of federal awards

- iv. There were no significant deficiencies required to be disclosed by OMB Circular A-133.
- v. The type of report the auditor issued on compliance for major programs was unqualified.
- vi. The audit disclosed no audit findings which the auditor is required to report under OMB Circular A-133, Section .510(a).
- vii. The major federal programs are:
 - CFDA # 84.010 Title I
 - CFDA #84.367 Title II
 - CFDA #84.357A Reading First State Grants
- viii. The dollar threshold used to distinguish between Type A and Type B programs as described in OMB Circular A-133, Section .520(b) was \$300,000.
- ix. The auditee does not qualify as a low-risk auditee under OMB Circular A-133, Section .530.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2007**

PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Reference # and title: **07-F1** **70% Instructional Expenditures**

Criteria or specific requirement: Per Louisiana Senate Concurrent Resolution No. 142 of the 1993 Regular Session, school boards are required to spend at least 70% of the general fund's total expenditures for instruction and support.

Condition found: The School Board spent 63% of the general fund in instruction and support.

Possible asserted effect (cause and effect):

Cause: Unknown.

Effect: State law is not being followed

Recommendations to prevent future occurrences: The School Board should strive to budget according to the state requirements and cut expenses in other areas to achieve the 70% goal in order to be within compliance.

Reference # and title: **07-F2** **Controls Over Cash**

Criteria or specific requirement: All bank statements should be reconciled monthly in a timely manner with any reconciling differences between the bank statement and the general ledger researched.

Condition found: Several bank accounts for several months were not reconciled in a timely manner.

Possible asserted effect (cause and effect):

Cause: The business department did not have enough staff to reconcile bank accounts in a timely manner.

Effect: Cash accounts were not reconciled for some of the year for several of the School Board's bank accounts.

Recommendations to prevent future occurrences: Each bank account should be reconciled within three weeks of the date of receipt of the bank statement. This would ensure that the account is reconciled before the next statement is received and will provide for more accurate financial reporting.

Reference # and title: **07-F3** **Bid Requirement Not Met**

Criteria or specific requirement: Per Louisiana Revised Statute 38:2212.1 "all purchases of materials and supplies exceeding the sum of \$20,000 to be paid out of public funds shall be bided out and advertised and let by contract to the lowest bidder". Advertisements should be published two times at least fifteen days prior to the bid award

Condition found: The school board did not bid out for the purchase of software for Child Nutrition.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2007**

PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Possible asserted effect (cause and effect):

Cause: The superintendent was unaware that bids should have been received for this type of purchase.

Effect: The public bid law has not been followed for these purchases.

Recommendations to prevent future occurrences: The program supervisor or bid preparer should ensure that the public bid law is followed in the future.

Reference # and title: 07-F4 Donations, Loans or Pledges

Criteria or specific requirement: The Louisiana Constitution, Article 7, Section 14, states that the funds, credit, property or things of value of the state or of any political subdivision shall not be loaned, pledged or donated to or for any person, association or corporation, public or private.

Condition found: Review of the minutes revealed numerous approvals during the year for the use of School Board buildings or buses for non-school related activities.

Possible asserted effect (cause and effect):

Cause: Unknown.

Effect: State guide-lines are not being followed and there maybe increased liability to the School Board.

Recommendations to prevent future occurrences: The School Board should cease the activity of loaning property for non-school activities.

Reference # and title: 07-F5 Budgeting A Deficit Fund Balance

Criteria or specific requirement: Louisiana Revised Statute 17:88 states that for budgeting purposes a detailed listing of expenses should be prepared "the total of which shall not exceed the expected means of financing composed of the beginning fund balance, cash balances and revenues/receipts."

Condition found: The child nutrition program continues to carry a deficit fund balance and each year's expenses for the past few years have exceeded the revenues.

Possible asserted effect (cause and effect):

Cause: Many students who are eligible for free and reduced lunches are not taking advantage of the program and there has been a decrease in enrollment during the past few years.

Effect: Budgeting guidelines are not being followed.

**East Carroll Parish School Board
Schedule of Findings and Questioned Costs
As of and for the Year Ended June 30, 2007**

PART II - Findings related to the financial statements which are required to be reported in accordance with Government Auditing Standards generally accepted in the United States of America:

Recommendations to prevent future occurrences: The School Board should determine what measures can be taken to increase revenues but should also consider the possibility of transferring funds to the child nutrition program to eliminate the deficit fund balance.

East Carroll Parish School Board

OTHER INFORMATION

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2007**

Reference # and title: **06-F1** **Payroll Records**

Date Originated: June 30, 2006.

Criteria or specific requirement: Good internal controls require that proper documentation be included in payroll records to support an employee's employability status and to support an employee's salary paid or hours worked. Payroll records should include all employee authorizations for payments made to vendors.

Condition found: A total of 39 payroll checks were tested for various attributes. Of the 39 checks tested, 3 checks were not supported by time cards or sign-in sheets; 3 checks did not match the salary schedule due to multiple job assignments and there was no specific authorization for the amounts paid the employee in the minutes.

Corrective action taken: See finding 07-F1.

Reference # and title: **06-F2** **70% Instructional Expenditures**

Date Originated: June 30, 2003.

Criteria or specific requirement: Per Louisiana Senate Concurrent Resolution No. 142 of the 1993 Regular Session, school boards are required to spend at least 70% of the general fund's total expenditures for instruction and support.

Condition found: The School Board spent 63% of the general fund in instruction and support.

Corrective action taken: See finding 07-F2.

Reference # and title: **06-F3** **Controls Over Cash**

Date Originated: June 30, 2006.

Criteria or specific requirement: Good controls for cash include timely reconciliations of bank statements, researching outstanding checks and deposits which have been outstanding for a long period of time, and making sure that records are consistent throughout the recording of cash.

Condition found: The bank reconciliations were not dated so we were unable to ascertain if the reconciliations were being prepared timely. The checks are not being printed correctly and the payee for one check is listed on the check register with a different check number from the one which is found on the cancelled check. Also, it was noted that there are several large checks which have been outstanding for a number of years. The outstanding checks which date all the way back to June, 1999 total \$203,406.

Corrective action taken: See finding 07-F3.

**East Carroll Parish School Board
Summary Schedule of Prior Audit Findings
June 30, 2007**

Reference # and title: **06-F4** **School Activity Funds**

Date Originated: June 30, 2001.

Criteria or specific requirement: Schools are required to keep adequate records of all cash receipts, inventories and deposits. Bank reconciliations should be timely and outstanding items should be researched. Payments should be made from original invoices.

Condition found: Three months of bank reconciliations were tested and there was an outstanding check noted on all three reconciliations. Nine of the ten deposits tested had concessions receipts but there was no supporting documentation and no inventory records for the deposits. Three of the ten payments tested were paid from copies of invoices.

Corrective Action taken: See finding 07-F4.

Reference # and title: **06-F5** **Budget Variances Exceed 5%**

Date Originated: June 30, 2004.

Criteria or specific requirement: Per La. R.S. 39:1311 budget revisions should be made when actual expenditures exceed budget expenditures by 5% or more.

Condition found: Actual expenditures exceed budgeted expenditures by approximately 6%.

Corrective action taken: This finding has been cleared.

East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2007

Reference # and title: **07-F1** **70% Instructional Expenditures**

Condition found: Per Louisiana Senate Concurrent Resolution No. 142 of the 1993 Regular Session, school boards are required to spend at least 70% of the general fund's total expenditures for instruction and support. The School Board spent 63% of the general fund in instruction and support.

Corrective action planned: Through the budgeting process for 2007-2008 70% of general fund revenues have been budgeted for instruction. Constant monitoring and revisions to the budget will be made as needed to insure that the 70% requirement is met at year's end.

Person responsible for corrective action:

Dr. Voleia Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2008.

Reference # and title: **07-F2** **Controls Over Cash**

Condition found: All bank statements should be reconciled monthly in a timely manner with any reconciling differences between the bank statement and the general ledger researched. Several bank accounts for several months were not reconciled in a timely manner.

Corrective action planned: Bank statements are being reconciled timely at this point and procedures have been put into place to address problems as they arise.

Person responsible for corrective action:

Dr. Voleia Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2008.

Reference # and title: **07-F3** **Bid Requirement Not Met**

Condition found: Per Louisiana Revised Statute 38:2212.1 all purchases of materials and supplies exceeding the sum of \$20,000 to be paid out of public funds shall be bid out and advertised and let by contract to the lowest bidder. Advertisements should be published two times at least fifteen days prior to the bid award. The School Board did not bid out for the purchase of software for Child Nutrition.

Corrective action planned: All supervisors have been made aware of the bid law as it pertains to materials and supplies and when they should be let out for bid.

East Carroll Parish School Board
Corrective Action Plan for Current-Year Findings and Questioned Costs
June 30, 2007

Person responsible for corrective action:

Dr. Voleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2008.

Reference # and title: **07-F4** **Donations, Loans or Pledges**

Condition found: The Louisiana Constitution, Article 7, Section 14, states that the funds, credit, property or things of value of the state or of any political subdivision shall not be loaned, pledged or donated to or for any person, association or corporation, public or private. Review of the minutes revealed numerous approvals during the year for the use of School Board buildings or buses for non-school related activities.

Corrective action planned: The Superintendent and Board are discussing the liability aspect with the insurance company concerning the loaning of school buses to the general public. Once these talks are finalized, policy will be written and adopted by the Board.

Person responsible for corrective action:

Dr. Voleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2008.

Reference # and title: **07-F5** **Budgeting A Deficit Fund Balance**

Condition found: Louisiana Revised Statute 17:88 states that for budgeting purposes a detailed listing of expenses should be prepared "the total of which shall not exceed the expected means of financing composed of the beginning fund balance, cash balances and revenues/receipts." The child nutrition program continues to carry a deficit fund balance and each year's expenses for the past few years have exceeded the revenues.

Corrective action planned: The Superintendent and Business Manager will decide from where a transfer can be made and transfer will be made accordingly so as to eliminate the CNP fund balance deficit. Also, we will try to decrease spending in the Child Nutrition Program.

Person responsible for corrective action:

Dr. Voleria Millikin, Superintendent Telephone: (318) 559-2222
East Carroll Parish School Board Fax: (318) 559-3864
P. O. Box 792
Lake Providence, LA 71254-0792

Anticipated completion date: June 30, 2008.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075
Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4864

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
Marge Williamson, CPA

Diane Ferschoff, CPA
Amy Tynes, CPA
Rusty Bryan, CPA
Aimee Buchanan, CPA
Angie Williamson, CPA
Cindy Thomsson, CPA

Ernest L. Allen, CPA
(Retired) 1963 - 2000

Management Letter

Board Members

East Carroll Parish School Board
Lake Providence, Louisiana

In planning and performing our audit of the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Carroll Parish School Board for the year ended June 30, 2007, we considered the School Board's internal control to plan our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control.

However, during our audit, we noted certain matters involving the internal control and other operational matters that are presented for your consideration. This letter does not affect our report dated December 19, 2007, on the financial statements of the School Board. We will review the status of these comments during our next audit engagement. Our comments and recommendations, all of which have been discussed with appropriate members of management, are intended to improve the internal control or result in other operating efficiencies. We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations. Our comments and management's responses are summarized as follows:

07-M1 Internal Control over Vendor Expenses

Comment: Effective internal control should include vendor expenses having original documentation (invoices, etc.), purchase order when required by policy, proper approval, supported by evidence of goods or services, and should be paid timely. The following was noted from a test of 32 vendor disbursements:

- Three exceptions were noted in which the invoice was not paid timely
- Two instances in which no purchase order was used
- One instance in which the check was not supported by proper documentation
- One instance in which the check was posted to an incorrect check number on the general ledger
- One instance in which the check amount did not agree to the invoice amount

Recommendations: Procedures for disbursing funds should be followed for all disbursements.

Managements Response: Written procedures have been established by contracted CPA and are currently being used by Accounts Payable department. Business Manager will periodically check vendor distribution to make sure procedures are being followed.

Following this letter is a Status of Prior Management Letter Item. This information has not been audited by Allen, Green & Williamson, LLP, and no opinion is expressed. However, we did follow-up on the prior management letter item and performed procedures to assess the reasonableness of the Status of Prior Management Letter Item prepared by the auditee, and we would report, as a current-year management letter item when Allen, Green & Williamson, LLP, concludes that the Status of Prior Management Letter Item materially misrepresents the status of any prior management letter item.

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not reveal all weaknesses in policies and procedures that may exist.

This report is intended solely for the information and use of the Board, management, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Although the intended use of this letter may be limited, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Allen, Green + Williamson, LLP

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 19, 2007

**East Carroll Parish School Board
Status of Prior Year Management Letter Item
June 30, 2007**

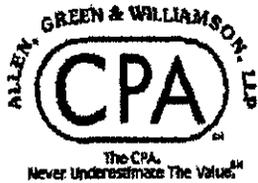
06-M1

Vendor Disbursements

Comment: A total of 24 transactions were chosen for testing. Two of the transactions did not have any documentation in the form of invoices or vendor files, one purchase did not have a purchase order and one transaction was paid \$7 more than the attached invoices due to a keypunch error.

Recommendations: Calculations should be performed to ensure that the correct amounts are paid. Care should be taken to obtain approved purchase orders and all supporting documentation should be kept for review.

Managements Response: See response to current year management letter item 07-M1.



ALLEN, GREEN & WILLIAMSON, LLP

CERTIFIED PUBLIC ACCOUNTANTS

P. O. Box 6075

Monroe, LA 71211-6075

2414 Ferrand Street
Monroe, LA 71201

Phone: (318) 388-4422
Fax: (318) 388-4664

Toll-free: (888) 741-0205
www.allengreencpa.com

Tim Green, CPA
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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

Board Members

East Carroll Parish School Board
Lake Providence, Louisiana

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the East Carroll Parish School Board, Lake Providence, Louisiana, and the Legislative Auditor, State of Louisiana, solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the reports. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules of supplemental information and are as follows:

General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
 - Total General Fund Instructional Expenditures,
 - Total General Fund Equipment Expenditures,
 - Total Local Taxation Revenue,
 - Total Local Earnings on Investment in Real Property,
 - Total State Revenue in Lieu of Taxes,
 - Nonpublic Textbook Revenue, and
 - Nonpublic Transportation Revenue.

Comment: No exceptions were noted in the testing of the 25 transactions. The following line items did not agree with the AFR:

- Other instructional staff activities
- Instructional materials and supplies
- Equipment for pupil support activities
- School administration

Management's Response: The schedule was revised to correct the line items noted above.

Education Levels of Public School Staff (Schedule 2)

2. We reconciled the total number of full-time classroom teachers per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to school board supporting payroll records as of October 1.

Comment: Five exceptions were noted.

- The number of certified teachers with a Bachelors degree was one less than the PEP report.
- The number of certified teachers with a Masters plus 30 was one less than the PEP report.
- The number of uncertified teachers with a Bachelor's degree was entered as uncertified teachers with a Master's degree.
- The number of certified principals and assistant principals with a Bachelor's degree was two less than the PEP report.
- The number of certified principals and assistant principals with a Master's degree was one less than the PEP report.

Management's Response: Schedule has been revised.

3. We reconciled the combined total of principals and assistant principals per the schedule "Experience of Public Principals and Full-time Classroom Teachers" (Schedule 4) to the combined total of principals and assistant principals per this schedule.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1 and as reported on the schedule. We traced a random sample of 25 teachers to the individual's personnel file and determine if the individual's education level was properly classified on the schedule.

Comment: One exception was noted.

- The education level per the PEP report did not agree to the personnel file for 1 out of 25 tested.

Management's Response: Personnel file has been updated.

Number and Type of Public Schools (Schedule 3)

5. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title I Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555)

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

Experience of Public Principals and Full-time Classroom Teachers (Schedule 4)

6. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

Comment: One exception was noted.

- One employee's experience level per the PEP report did not agree to the personnel file.

Management's Response: Personnel file has been updated.

Public Staff Data (Schedule 5)

7. We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

Comment: Three exceptions noted.

- Extra compensation was included in the base salary on the PEP report for three of teachers tested.

Management's Response: Special attention will be given when reporting extra compensation.

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

Comment: There was material differences noted in recalculating the average classroom teacher salaries.

Management's Response: Management used information taken from LDOE website.

Class Size Characteristics Schedule 6)

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1 roll books for those classes and determined if the class was properly classified on the schedule.

Comment: While applying agreed-upon procedures there were no exceptions noted on schedule 6, however 1 out of the 10 classroom roll books selected did not agree with the rosters provided by the School Board.

Management's Response: Roll books and computer generated rosters will be compared periodically and exceptions will be corrected.

Louisiana Educational Assessment Program (LEAP) for the 21st Century (Schedule 7)

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

The Graduation Exit Exam for the 21st Century (Schedule 8)

11. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

The Iowa Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

Comment: No exceptions were noted as a result of applying the agreed upon procedures.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the East Carroll Parish School Board, the Louisiana Department of Education, the Louisiana Legislature, and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Allen, Green + Williamson

ALLEN, GREEN & WILLIAMSON, LLP

Monroe, Louisiana
December 20, 2007

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

General Fund Instructional and Support Expenditures
and Certain Local Revenue Sources
For the Year Ended June 30, 2007

General Fund Instructional and Equipment Expenditures

General Fund Instructional Expenditures:

Teacher and Student Interaction Activities:

Classroom Teacher Salaries	\$3,904,328	
Other Instructional Staff Activities	475,863	
Employee Benefits	1,144,739	
Purchased Professional and Technical Services	75,300	
Instructional Materials and Supplies	178,281	
Instructional Equipment	0	
Total Teacher and Student Interaction Activities		\$5,778,311

Other Instructional Activities		15,289
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Pupil Support Activities	541,746	
Less: Equipment for Pupil Support Activities	118,554	
Net Pupil Support Activities		423,192

Instructional Staff Services	266,672	
Less: Equipment for Instructional Staff Services	0	
Net Instructional Staff Services		266,672

School Administration	862,513	
Less: Equipment for School Administration	0	
Net School Administration		862,513

Total General Fund Instructional Expenditures		<u>\$7,336,977</u>
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Total General Fund Equipment Expenditures		<u>\$118,554</u>
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Certain Local Revenue Sources

Local Taxation Revenue:

Constitutional Ad Valorem Taxes	\$188,939
Renewable Ad Valorem Tax	195,897
Debt Service Ad Valorem Tax	0
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	31,283
Sales and Use Taxes	1,361,783
Total Local Taxation Revenue	<u>\$1,777,912</u>

Local Earnings on Investment in Real Property:

Earnings from 16th Section Property	\$271,377
Earnings from Other Real Property	0
Total Local Earnings on Investment in Real Property	<u>\$271,377</u>

State Revenue in Lieu of Taxes:

Revenue Sharing - Constitutional Tax	\$10,000
Revenue Sharing - Other Taxes	10,000
Revenue Sharing - Excess Portion	0
Other Revenue in Lieu of Taxes	0
Total State Revenue in Lieu of Taxes	<u>\$20,000</u>

Nonpublic Textbook Revenue	<u>\$4,979</u>
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Nonpublic Transportation Revenue	<u>\$0</u>
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EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Education Levels of Public School Staff
As of October 1, 2006

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	0		0		0			
Bachelor's Degree	65	56.03%	4	3.45%	2	18.18%		0.00%
Master's Degree	18	13.79%	0	0.00%	1	9.09%		0.00%
Master's Degree + 30	31	26.72%	0	0.00%	6	54.55%		0.00%
Specialist in Education	0	0.00%	0	0.00%	2	18.18%		0.00%
Ph. D. or Ed. D.	0	0.00%	0	0.00%	0	0.00%		0.00%
Total	112	96.55%	4	3.45%	11	100.00%		

Schedule 3

**EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana**

**Number and Type of Public Schools
For The Year Ended June 30, 2007**

Type	Number
Elementary	2
Middle/Jr. High	1
Secondary	1
Combination	1
Total	5

Note: Schools opened or closed during the fiscal year are included in this schedule.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Experience of Public Principals and Full-time Classroom Teachers
As of October 1, 2006

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	0	0	0	0	1	0	3	4
Principals	0	0	0	1	0	1	5	7
Classroom Teachers	9	8	16	6	8	22	47	116
Total	9	8	16	7	9	23	55	127

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Public School Staff Data
For Year Ended June 30, 2007

	All Classroom Teachers	Classroom Teachers Excluding ROTC and Rehired Retirees
Average Classroom Teachers' Salary Including Extra Compensation	\$32,267.00	\$30,333.00
Average Classroom Teachers' Salary Excluding Extra Compensation	\$29,717.00	\$27,783.00
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	121	91

Note: Figures reported include all sources of funding (i.e., federal, state, and local) but exclude employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers and ROTC teachers receive more compensation because of a federal supplement. Therefore, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes and temporary employees.

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

Class Size Characteristics
As Of October 1, 2006

School Type	Class Size Range							
	1 - 20		21 - 26		27 - 33		34+	
	Percent	Number	Percent	Number	Percent	Number	Percent	Number
Elementary	88%	145	10%	17	.1%	1	.1%	1
Elementary Activity Classes	85%	17	16%	3				
Middle/Jr. High	87%	104	12%	14	2%	2		
Middle/Jr. High Activity Classes	40%	6	53%	8	7%	1		
High	77%	108	18%	25	6%	8		
High Activity Classes	76%	16	24%	5				
Combination	80%	94	19%	22	1%	1	1%	1
Combination Activity Classes	79%	15	11%	2	11%	2		

Note: The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana

Louisiana Educational Assessment Program (LEAP) for the 21st Century
 For The Year Ended June 30, 2007

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	4	4	2	2	2	2					1	1
Mastery	21	19	12	10	30	20	5	5	26	22	26	18
Basic	42	38	55	47	88	59	60	55	49	42	79	53
Approaching Basic	20	18	30	26	26	18	20	18	21	16	26	18
Unsatisfactory	23	21	18	15	4	3	25	23	21	18	18	12
Total	110		117		150		110		117		150	

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 4												
Advanced	1	1	1	1	2	2	2	2				
Mastery	12	11	4	3	16	11	15	14	9	8	6	6
Basic	49	45	44	38	89	60	63	48	42	36	116	77
Approaching Basic	27	25	47	40	39	26	19	17	35	30	22	15
Unsatisfactory	21	19	21	18	4	3	21	19	31	28	5	4
Total	110		117		150		110		117		150	

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced							1	1				
Mastery	3	3	5	4	4	4	0	0	1	1	1	1
Basic	20	18	28	21	29	24	14	13	49	34	39	29
Approaching Basic	47	42	75	55	51	43	29	26	37	26	42	31
Unsatisfactory	42	38	28	21	38	32	68	61	57	40	54	40
Total	112		136		121		112		144		136	

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 8												
Advanced	1	1										
Mastery	4	4	1	1	3	3			1	1	5	5
Basic	17	15	23	18	20	17	22	20	24	18	32	27
Approaching Basic	33	29	52	40	49	42	33	29	43	33	36	31
Unsatisfactory	57	51	55	42	47	40	57	51	63	48	46	39
Total	112		131		119		112		131		119	

EAST CARROLL PARISH SCHOOL BOARD
Lake Providence, Louisiana

The Graduation Exit Exam for the 21st Century
For The Year Ended June 30, 2007

District Achievement Level Results	English Language Arts						Mathematics					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 10												
Advanced							1	1	1	1	1	2
Mastery	6	6	3	3	9	11	9	9	6	6	2	3
Basic	32	33	43	43	29	33	29	28	39	39	58	66
Approaching Basic	36	38	40	40	32	36	32	31	29	29	15	17
Unsatisfactory	22	23	14	14	19	22	32	31	25	25	13	15
Total	96		100		89		103		100		89	

District Achievement Level Results	Science						Social Studies					
	2007		2006		2005		2007		2006		2005	
Students	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 11												
Advanced												
Mastery	10	12	2	3	7	13	2	2				
Basic	38	47	35	44	32	60	60	62	31	39	20	37
Approaching Basic	20	25	30	38	7	13	15	19	22	28	21	39
Unsatisfactory	13	16	13	16	8	15	14	17	28	33	13	24
Total	81		80		54		81		79		54	

EAST CARROLL PARISH SCHOOL BOARD
 Lake Providence, Louisiana

The IOWA and ILEAP Tests
 For the Year Ended June 30, 2007

IOWA Test	Composite	
	2005	2004
Iowa Test of Basic Skills (ITBS)		
Grade 3	52	50
Grade 5	55	51
Grade 6	22	22
Grade 7	37	36
Tests of Educational Development (ITED)		
Grade 9	35	30

Scores are reported by National Percentile Rank. A student's National Percentile Rank shows the student's relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. A student with a score of 72 indicates that the student scored the same of better than 72 percent of the students in the norm group.

i ILEAP Test

Students	District Achievement Level Results							
	English Language Arts		Mathematics		Science		Social Studies	
	2006		2006		2006		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3								
Advanced	4	4	2	2	0	0	7	6
Mastery	11	10	5	5	10	9	5	5
Basic	42	39	42	39	31	29	40	37
Approaching Basic	28	26	27	26	51	47	34	31
Unsatisfactory	23	21	32	30	16	15	22	20
Total	108		108		108		108	

Students	District Achievement Level Results							
	English Language Arts		Mathematics		Science		Social Studies	
	2006	2006	2006	2006	2006	2006	2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5								
Advanced	1	1	0	0	0	0	1	1
Mastery	25	20	12	10	4	3	0	0
Basic	36	29	46	37	50	40	55	44
Approaching Basic	38	30	23	18	42	34	39	31
Unsatisfactory	25	20	44	35	29	23	30	24
Total	125		125		125		125	

Students	District Achievement Level Results							
	English Language Arts		Mathematics		Science		Social Studies	
	2006	2006	2006	2006	2006	2006	2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6								
Advanced	0	0	0	0	0	0	0	0
Mastery	7	6	2	2	1	1	0	0
Basic	39	34	21	18	19	17	33	29
Approaching Basic	34	30	24	21	52	45	52	45
Unsatisfactory	35	30	68	59	43	37	30	26
Total	115		115		115		115	

Students	District Achievement Level Results							
	English Language Arts		Mathematics		Science		Social Studies	
	2006	2006	2006	2006	2006	2006	2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7								
Advanced	2	2	0	0	0	0	0	0
Mastery	4	3	1	1	3	2	1	1
Basic	35	29	23	19	20	16	45	37
Approaching Basic	41	34	31	25	48	39	38	31
Unsatisfactory	40	33	67	55	51	42	38	31
Total	122		122		122		122	

Students	District Achievement Level Results				English Language Arts		Mathematics	
	2006		2006		2006		2006	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9								
Advanced	0	0	0	0	1	1	1	1
Mastery	1	1	1	1	6	6	7	7
Basic	47	52	52	52	33	33	36	36
Approaching Basic	33	36	36	36	24	24	26	26
Unsatisfactory	10	11	11	11	27	27	30	30
Total	91				91			

I LEAP Test

Students	District Achievement Level Results				English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 3												
Advanced	4	4	4	4	2	2	3	3	0	0	0	0
Mastery	13	12	12	12	7	6	9	8	17	15	17	15
Basic	34	30	30	30	38	34	27	24	41	41	36	36
Approaching Basic	38	35	35	35	27	24	50	44	34	34	30	30
Unsatisfactory	23	20	20	20	39	35	24	21	21	21	19	19
Total	113				113				113			

Students	District Achievement Level Results				English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 5												
Advanced	2	2	2	2	4	4	0	0	0	0	0	0
Mastery	30	26	26	26	10	9	10	9	15	14	15	14
Basic	25	23	23	23	42	39	53	50	48	45	48	45
Approaching Basic	16	15	15	15	16	14	24	22	25	23	25	23
Unsatisfactory	34	32	32	32	38	34	20	18	19	18	19	18
Total	107				107				107			

Students	District Achievement Level Results						English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 6														
Advanced	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mastery	4	3	3	1	1	1	1	1	1	2	2	2	2	2
Basic	43	36	36	19	19	23	19	23	19	28	24	26	22	22
Approaching Basic	41	35	35	19	19	22	19	22	19	55	47	50	42	42
Unsatisfactory	30	25	25	61	61	72	61	72	61	33	28	40	34	34
Total	118		118		118		118		118		118		118	

Students	District Achievement Level Results						English Language Arts		Mathematics		Science		Social Studies	
	2007		2007		2007		2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 7														
Advanced	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Mastery	6	5	5	1	1	1	1	1	1	1	1	1	1	1
Basic	44	37	37	24	21	24	21	24	21	18	15	35	30	30
Approaching Basic	33	28	28	36	31	36	31	36	31	55	47	43	36	36
Unsatisfactory	35	30	30	56	48	56	48	56	48	44	37	40	34	34
Total	118		118		117		117		118		118		118	

Students	District Achievement Level Results						English Language Arts		Mathematics	
	2007		2007		2007		2007		2007	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Grade 9										
Advanced	0	0	0	0	0	0	0	0	0	0
Mastery	0	0	0	0	1	1	1	1	1	1
Basic	32	24	24	35	27	35	27	35	27	27
Approaching Basic	64	48	48	27	20	27	20	27	20	20
Unsatisfactory	36	27	27	69	52	69	52	69	52	52
Total	132		132		132		132		132	